FBIS DAILY REPORT

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ALFONSIN DISCUSSES DIPLOMACY, ROLE OF MILITARY

PY291640 Buenos Aires DYN in Spanish 2352 GMT 27 Nov 86

[Text] Buenos Aires, 27 Nov (DAYN) -- Speaking before officers of the three branches of the Armed Forces, President Raul Alfonsin argued today in favor of a political decision regarding military action in times of crisis, and gave diplomacy as the principal factor within this strategy, regarding the Anglo-Argentine dispute over the Malvinas Islands.

"The best strategist is not the one who knows how to win a battle, but he who is able to reach victory without having to fight one," Alfonsin said.

Alfonsin presided this afternoon over the closing ceremonies of the advanced courses of military strategy, held at the Armed Forces Joint Staff headquarters. On that occasion, Alfonsin again expressed his satisfaction over the recent UN vote favoring Argentina.

"Force should only be employed in the execution of decisions emanating from political power," the president said.

In his speech as commander in chief of the Armed Forces he recalled the position of the government on defense, which he said was based on "military reform, policy changes, intellectual modernization, the growing use of modern technology, the importance of coordinated action, and the consolidation of a joint military organization subordinated to the Constitution."

"It is our definite purpose to safeguard the sovereignty of the Republic and the preservation of the Constitution as established by law," the president said.

Alfonsin said the objective of the courses taught at the Joint Staff headquarters is "to provide theoretical and practical knowledge regarding military strategy in itself and its constant evolution in terms of an overall larger stragegy."

Alfonsin also said that one of the main goals of the course is the understanding of "the subordination of the political objectives to national objectives, as established by the Constitution, in order to generate a national policy in which the military strategy plays a role."

In another part of his speech Alfonsin said that the different strategies of the military sectors must be subordinated "to the decision made by the executive branch in each crisis."

"Accordingly, in the search of a just solution to the situation regarding national sovereignty in the South Atlantic, we have moved our focal point toward the strategy of an international policy. The result has been the recent growing consensus in favor of our claims, an obvious example is the recent vote at the UN General Assembly," Alfonsin said.

Alfonsin also stressed that "this support for the justice of our claims (is) what guarantees the peaceful action of the Republic of Argentina in our relations with other nations."

After reminding the officers that the representativity of the Argentine democratic government helps secure wider support from the international community for the Argentine position regarding the Malvinas Islands, Alfonsin said that Argentina requires from the Armed Forces "subordination to the constitutional powers, to San Martin's (ethical) model, and the understanding that force should only be used in the execution of decisions emanating from the executive branch."

JAUNARENA ON RESTORED LEAVE FOR CONSCRIPTS

PY022001 Buenos Aires TELAM in Spanish 1445 GMT 2 Dec 86

[Text] Buenos Aires, 2 Dec (TELAM) -- Defense Minister Horacio Jaunarena said today that 33 percent of the conscripts doing their compulsory military service have been granted leave starting 1 December.

Jaunarena made the announcement after presiding over the graduation ceremony of commanders and high-ranking officers of the Armed Forces who have been taking courses in joint military planning at the strategic operational level.

The discharge of conscripts had been suspended following the UK decision to extend the exclusion zone around the Malvinas islands.

COURT GIVES GENERAL CAMPS 25-YEAR SENTENCE

PY030114 Buenos Aires TELAM in Spanish 0022 GMT 3 Dec 86

[Excerpts] Buenos Aires, 2 Dec (TELAM) -- The Federal Appellate Court has sentenced General Ramon Camps, retired, to serve 25 years in prison; police officer Miguel Etchecolat, retired, to 23 years in prison; General Pablo Ovidio Richieri, retired, to 14 years in prison; police physician Dr Jorge Berges, to 4 years in prison; and Corporal Norberto Cozzani, to 4 years in prison.

The court handed down these sentences in cases involving crimes committed during repressive actions in Buenos Aires Province between 1976 and 1978. It acquitted retired police officers Luis Hector Vides and Alberto Rousse in the same cases. [passage omitted]

In a unanimous ruling, which was read by Chief Appellate Justice Guillermo Ledesma, the court contended that killing an enemy in the battlefield amid the din of battle is different from applying cruel torture to helpless people, in cold blood, inside a safe room.

Regarding the due obedience issue, the court ruled that although obedience is extremely important, it is not more important than abiding by the laws. The court cited remarks by Defense Minister Horacio Jaunarena in the Senate noting that obedience must not be exercised blindly.

The court contended that the defendants acted knowingly, aware of the harmful actions they were committing. It added that the Code of Military Justice does not permit illegal actions.

The court convicted Camps on 73 counts of torture, Etchecolatz on 20 counts of torture, and police physician Berges on two counts of aggravated torture because he is a doctor [passage omitted].

ALFONSIN, MINISTERS CONFER WITH CGT LEADERS

PY291838 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1933 GMT 28 Nov 86

[Text] Buenos Aires, 28 Nov (NA) -- Speaking to the CGT, [General Confederation of Labor] President Raul Alfonsin today reaffirmed the decision to summon labor-management arbitration boards as of 1 January, and without rejecting the CGT's request for emergency increases before the end of the year, proposed that a government-labor union commission see if a salary imbalance occurred in 1986. The president made this suggestion because of the disagreement between government and union leaders on this point.

The government announcements, which the CGT leadership approved, were made today during the first meeting Alfonsin has held with the labor organization since its normalization.

Alfonsin also announced that the government will promote a social security emergency law which includes "significant increases" for the "most neglected" pensioners and retirees. The president also reached an agreement with the union leaders to create other commissions in charge of drawing up draft laws on work contracts, social works, and contracts for rural workers and domestic servants.

During the meeting, which took place in a "constructive, frank, and cordial" atmosphere, Alfonsin urged the CGT to remain "always open to dialogue," while CGT Secretary General Saul Ubaldini "promised the CGT's participation in strengthening the democratic system."

This information is contained in a 3-page joint communique issued at the end of the almost 2-hour meeting held this morning at Government House between President Alfonsin and 8 members of the CGT leadership.

Economy Minister Juan Sourrouille, Labor Minister Hugo Barrionuevo, Social Action Minister Conrado Storani, and presidential spokesman Jose Ignacio Lopez also attended the meeting.

The labor delegation was headed by Ubaldini, who was accompanied by Hugo Curto, Jose Pedraza, Guerino Andreoni, Pedro Boyeneche, Juan Farias, Virgilio Nunez, and Hernan Prado.

Alfonsin opened the meeting by expressing his satisfaction at the normalization of the CGT "and congratulating the leaders who were elected during the recent congress, convinced that the institutionalization of the labor organization will contribute to the strengthening of democracy and of dialogue as an essential means of ensuring social peace."

Ubaldini invited the president to the ceremony, planned for 12 December, when the new CGT leaders will assume their posts.

At the beginning of the study of the established agenda, Alfonsin confirmed the government decision to summon the labor-management arbitration boards for January, as promised by government officials at the beginning of the year during the negotiations for a social accord.

This announcement was well received by the labor leaders, who immediately requested an emergency salary increase to compensate for the deterioration in real salaries in comparison to the cost of living in the second half of this year.

This point led to an arduous discussion. Sourrouille argued that there has been no such deterioration, showing his own figures to support his argument, according to information revealed later by the labor leaders.

The discussion ended without being resolved and, at the president's proposal, the question was channeled to a joint commission that will study "salary development during 1986," the joint communique stated.

Regarding social security, Alfonsin decided to postpone sending Congress the bill that is being studied and agreed with the CGT to create another commission to analyze this subject.

Meanwhile, "the executive branch will implement an emergency measure that will include significant increases for the most neglected sectors of retirees. This measure will be sent to Congress with the intention that it shall remain in force until the general law is approved."

Congress will also consider in special sessions "the ratification of ILO convention No. 154," which grants public servants the right of collective bargaining; the bill on labor participation in state enterprises; and the bill on the subrogation [subrogacion] of the debts the CGT contracted during the military regime.

Alfonsin confirmed that he agreed representatives of active and retired workers could participate in decentralized organizations like the Comprehensive Medical Assistance Plan and the National Institute of Social Projects. He also reported that the formation of a commission which will study future social security rules for rural workers and domestic servants "has been resolved."

It was agreed that Public Health and Social Action Minister Conrado Stroani will receive leaders of the CGT in the next few days.

Concerning labor conflicts, the president "promised the greatest efforts on the part of the government to find effective and fair solutions to them."

The president stated "his conviction that modern democracy requires a strong labor organization and, therefore, he again expressed his satisfaction with the legalizaton of the CGT."

Alfonsin recognized that "in a crisis such as the present one," the relationship between the government and the labor movement "may be difficult and even conflictive," so he asked that "dialogue should always be kept open, because over and above temporary disagreements, we share the objectives of social justice and the prosperity of the people."

The joint communique stresses that Ubaldini "welcomed this appeal" and promised the participation of the CGT "in the strengthening of the democratic system, since the well-being of the nation and the defense of the interests of the workers are priorities."

In conclusion, Alfonsin told the labor leaders in advance about the measures that he later announced to the country in his speech, promising them that no public servants will be dismissed. He also gave instructions to his officials to send copies of the speech to the CGT before it was broadcast.

36,000 TO RETIRE IN PUBLIC SECTOR REFORM

PY011725 Buenos Aires DYN in Spanish 1259 GMT 30 Nov 86

[Text] Buenos Aires, 30 Nov (DYN) -- The government will try to let some 36,000 government employees go over the next 3 years through a voluntary retirement plan. Under this plan, workers will be entitled to double severance pay. The government expects the plan to have neither political nor social implications.

In 1987, high-level executive branch employees whose contracts were not established by collective bargaining will be granted higher salary readjustments, a move that seeks to increase compensation for qualified manpower.

The Economy Ministry has released a long document justifying the administrative reform and summarizing the guidelines for the salaries and professional careers of some 183,000 employees. These employees are under the executive branch, and have not been contracted under collective bargaining terms.

The reform involves a 20-percent reduction in the number of permanent and temporary employees of each section of the executive branch. This reduction will take place over the next 3 years.

It will operate through a voluntary retirement system, which employees must join by submitting an application before 31 March 1987. A sole work schedule, which will include morning and afternoon periods, will be enforced as of January 1988. This measure will prevent moonlighting, which is currently a common practice.

Those who decide to join the voluntary retirement plan will receive severance pay of at least 3,500 australes, 30 days after tendering their resignations. This severance pay might be higher, depending on the employee's current salary.

A second severance pay will be paid over 6, 8, or 12 months, depending on the employee's seniority.

Under the plan, the employees in the low salary brackets will receive almost 5,000 australes as total severance pay. This compensation can be higher, because it will be proportional to the employee's salary and seniority.

This is a summary of the explanations given in the Economy Ministry document:

-- There are too many government workers. While most salaries are low, there are "sharp salary differences" between employees of equivalent ranking or those doing the same type of work in different sections of the administrations.

-- The number of employees in the federal government and in state-run companies has decreased over the past 10 years. In the provinces, however, the number of employees has markedly increased.

-- There are 996,000 federal government employees, 84,000 Bueos Aires city hall employees, and 757,000 provincial government employees, accounting for a total of 1,837,000 public servants. Of the federal government employees, 647,000 work for the executive branch, 36,000 for the state banks, and 313,000 for the state-owned companies.

-- The number of public servants grew by 31,265 between December 1983, when the Radical Party took power, and August 1985. Since September 1985, the number of government employees has decreased by 14,642, thereby reducing to 16,623 the net increase in the number of employees admitted after the new government took power.

-- The salary readjustment plan provides for 12 consecutive periods over 3 years, each period being equivalent to 1 quarter, and a professional career structure grade 1 to 24 with proportionate salary adjustments, which will seek to increase the compensation of qualified manpower.

-- Under the new professional career structure, an employee at grade 24, whose salary on October 1986 was 572 australes, will be earning 676 australes in the first quarter of 1987, accounting for an 18.1-percent readjustment, and 986 australes in the fourth quarter of 1987, accounting for a 72-percent salary increase in 1 year. On the other hand, the lowest career-level employees, whose salary in October 1986 was of 164 australes, will receive 198 australes in the fourth quarter of 1987, accounting for a 20.5-percent annual increase. Readjutments will thus be proportionate to the employee level.

-- This plan will cover the approximately 183,000 employees whose contracts are not regulated by collective bargaining terms. Of this number, 131,468 work under the general professional career structure of the government, 48,754 are civilians working for the Armed Forces, and 2,778 work under special professional career programs.

GOVERNMENT DESIGNATES ENTEL FOR RECEIVERSHIP

PY021504 Buenos Aires DYN in Spanish 2026 GMT 1 Dec 86

[Text] Buenos Aires, 1 Dec (DYN) -- Through a decree released this afternoon at Government House, the executive branch decided to place the Nationa' Telecommunications Enterprise [ENTEL] under receivership.

Leonardo Leibson, under secretary for planning and technological management of the Communications Secretariat, was designated intervenor. Leibson will replace ENTEL's current president Jose Guerra for a period of 180 days.

OFFICIALS FURTHER DEFEND CRUZADO REFORMS

Sarney To Address Nation

PY020022 Brasilia Domestic Service in Portuguese 2100 GMT 1 Dec 86

[By Eduardo (Mancais) from Planalto Palace]

[Text] President Sarney will speak over a radio and television network this week to explain in detail the corrective changes made to the Cruzado Plan.

[Begin recording] [Mancais] The date for the radio and television presidential message has not been established yet, but it will be this week. The message will be recorded. President Sarney is now studying the outline of the message, because he wants to better explain the corrective changes made to the Cruzado Plan. Sarney will use frank and earnest langauge, according to presidential spokesman Fernando Cesar Mesquita.

[Mesquita] President Sarney intends to speak the truth, to show what the country was before the Cruzado Plan, and what the country is now. He wants to explain that these measures were adopted to preserve the values and achievements of the Cruzado Plan.

[Mancais] The president himself has made the decision to address the nation. He wants to clarify some confusing points and to explain that he adopted these measures because they were necessary. Sarney is not engaged in a petty popularity contest, the spokesman stated.

[Mesquita] President Sarney always says that, if he has to adopt apparently unpopular measures for the benefit of the country, in the best interests of the country, he will adopt them. He has a great sense of responsibility, because he has to think about the future, he has to consider the society as a whole. He cannot make decisions that would benefit only certain groups. He has to defend the interests of the entire country.

[Mancais] In his message, President Sarney will not comment on the foreign debt or, less still, on the incidents that disrupted life in Brasilia last week. The presidential spokesman said that these incidents have taught a lesson to many people. [end recording]

Funaro Confers With PFL

PY281948 Rio de Janeiro Rede Globo Television in Portuguese 0230 GMT 28 Nov 86

[Excerpts] Finance Minister Dilson Funaro responded to criticism and demonstrations against the reform of the Cruzado Plan. He has done this throughout the day.

For 3 hours this morning, Funaro met with all the PFL [Liberal Front Party] senators and answered their criticism of the measures that were announced as the Cruzado II Plan last week. According to a report by Carlos Chiarelli, Funaro agreed that it was advisable to correct and expand the restricted consumer price index after he heard suggestions from workers and business representatives.

Funaro also received expressions of support. In Sao Paulo, businessmen praised the decision by President Sarney not to accept the minister's resignation. In Brasilia, Deputy Ulysses Guimaraes said that Funaro's presence in the Finance Ministry is indispensable.

A while ago, as he came out of his office, Funaro granted an exclusive interview to reporter Marcelo Netto. The minister talked about Brazil's external crisis and today's demonstrations against the Cruzado Plan reform in Brasilia.

[Begin recording] [Funaro] We did exactly what had to be done. All people who analyze without resorting to radicalism can verify that we had only that option. Let us not forget that as soon as we promulgated the original Cruzado Plan, the CUT [Sole Workers Confederation] wanted to call a general strike. I believe that people need to understand why we do what we do, and then confer and offer suggestions. They should not just disapprove before trying to understand what we have done.

[Netto] Minister, the government is being pressured to declare a moratorium in order to confront the external crisis. What step will the government take next?

[Funaro] Negotiate, always.

[Netto] And not declare a moratorium?

[Funaro] That would be the last resort, if necessary. But we are negotiating. This is what helps us to continue the development of Brazil. Taking radical measures only hinders Brazil's development. I still believe that more can be achieved through negotiation.

[Netto] When will the negotiations effectively begin, Mr Minister?

[Funaro] In about 20 or 30 days, I will make another trip to discuss our problems with the Paris Club. This should be between 15 and 18 December. [end recording]

Funaro Addresses Industrialists

PY011418 Brasilia Radio Nacional da Amazonia Network in Portuguese 0000 GMT 1 Dec 86

[Text] The government is not going to make any more adjustments to the Cruzado Plan. However, as soon as the market becomes stable and the internal consumption slows down, the government will reduce taxes and the interest rates for the financial market.

Finance Minister Dilson Funaro made these statements yesterday, in Rio de Janeiro, during the closing ceremony of the Latin American industries' congress. According to Funaro, the government will stand fast on the adjustments it has already made and not be influenced by a demonstration that does not reflect the true feeling of the Brazilian people.

Funaro also explained that the consumers price index is restricted to five minimum salaries and that the prices of foodstuff, clothing, and health care will now be real prices.

Yesterday, Funaro met in Sao Paulo with the representatives of various enterprises to discuss the impact of the Cruzado Plan adjustment measures. He explained that the meeting did not seek the support of the businessmen, as had been stated. Funaro said that he discussed with the industrial sector what should be done in each specific area.

The minister's representative to the business sector, Paul Francini, asserted that the slowdown that the government seeks through the Cruzado Plan II will not cause an increase in the cost of manufactured goods.

According to Francini, the increases in the prices of alcohol and fuel will not affect the costs. He said that the increase of automobile prices will compel consumers to purchase vehicles when the price drops because a reduction in the manufactured goods tax is expected.

O GLOBO Interviews Sayad

PY021955 Rio De Janiero O GLOBO in Portuguese 28 Nov 86 p 22

["Highlights" of interview with Planning Minister Joao Sayad by O GLOBO reporter Consuelo Dieguez at the Planning Ministry in Brasilia on 27 November]

[Text] O GLOBO: Could you give us your opinion on the people's negative reaction to the new economic measures?

Sayad: This negative reaction was prompted by several things. First, no measure to reduce consumption is pleasant. Second, the government did not disclose the measures properly and, as a consequence, they were misinterpreted. The inflation issue is causing a great uproar that can be quieted.

O GLOBO: Doesn't the government fear that the measures to slow consumption might lead the country into a new recession, as some economists maintain?

Sayad: There is no chance of that happening. The Brazilian economy has a great inclination to grow, and it will continue to do so. The adjustment measures that were taken are only focused on slowing consumption, and I am sure that the economy will continue to grow from 6 to 7 percent after the adjustment takes place. You may rest assured that neither President Sarney nor the government intends to reduce the employment level. We must grow by 6 to 7 percent in order to create job opportunities for all Brazilians.

O GLOBO: In July the government issued a series of measures to reduce consumption, but it seems that they did not work...

Sayad: It is not that they did not work, they were just not enough.

O GLOBO: What prompted the government to adopt new adjustment measures. What did not work?

Sayad: We continued to grow at a rate of 12 percent per year. But what happens with 12-percent growth is that savings dropped. There is a shortage of products, black market prices start to appear, and a number of essential goods become scarce. In addition to all this, the balance of payments began to experience problems. If one continues to grow by 12 percent, one grows for a few months and then runs into great difficulties.

O GLOBO: Do you think this problem is under control with the new economic measures?

Sayad: I believe these measures will have a positive impact on savings and, therefore, should slow the economic growth rate. If we analyze the new measures, we will see that they complement the Cruzado Plan. Some measures were intended for the de-indexation of everything. Everything is now tied to the LBC [Central Bank Certificates], with two exemptions: The salary escalator clause as accumulated inflation reaches 20 percent, and the automatic correction of salaries by which workers will receive 60 percent of the inflation accumulated since their last pay increase went into effect. Among the measures adopted, the inflation index will be used only in these two instances. The government is committed to use the inflation index based on the workers essential consumption items -- excluding superfluous consumption goods -- in those two cases.

O GLOBO: Wouldn't that amount to making erasures in the inflation index?

Sayad: No, the index is not subject to erasures. It only excludes items such as nonessentials, cars, beverages, and cigarettes -- for obvious reasons. This means that the index will be lower for a period of time, because the prices of the excluded products have been increased. It will not be lower permanently because, when beverages and cigarettes are removed from the index, the influence of products like foodstuffs, the prices of which can be more volatile, more unstable than those of beverages and cigarettes, will be greater. This can even generate higher inflation.

O GLOBO: How do you view the criticism being leveled at the change in the inflation index?

Sayad: I believe that it is unfair, because the exclusion of the products I mentioned from the index does not necessarily make the index lower. To automatically correct workers salaries because the price of cars goes up does not make sense. The recent increase in the price of cars occurred because the IPI [Manufactured Products Tax] increased, but next the IPI will be reduced. But no one buys a car every month. If you wait until May to buy a car, it will be cheaper. Cars are not an item that should be included in the cost-of-living index, because they are items bought every 2,3, or 5 years, depending on the worker's income. Thus, it would also be absurd to include used cars in the index. The worker who bought a car lost income, but the worker who sold it gained income. Thus, it does not make sense to correct the price index because the price of used cars increased. It does not make sense for the government to intervene in the used car market, but it does make sense for it to intervene in the market for wheat, milk, rice, and beans.

O GLOBO: Why is the restricted inflation index being adopted precisely when the accumulated inflation rate was threatening to reach 20 percent by February, thus activating the escalator clause?

Sayad: Wait a minute. The index that has been used so far is the Expanded Consumer Price Index [IPCA]. The inflation rule has not been changed retroactively. The Restricted Consumer Price Index [IPCR] will henceforth be in effect.

O GLOBO: But that holds back the escalator clause...

Sayad: We will see whether the ICR will grow more slowly than the IPCA. This we will have to see. Up to now, the IPCR has grown more slowly than the IPCA. The IPCR is being used because it makes sense as part of the policy of protecting the salaries of low-income workers.

O GLOBO: Then, why did the government change the IPCA, which was in effect last year, for the IPCR?

Sayad: It was changed because the IPCA was being used to correct the Savings Books, and it was thought that it would be more representative of economic performance. But when an index is adopted only for salaries it can legitimately be said that the government has a commitment with low-income workers.

O GLOBO: After 9 months of the Cruzado Plan, one has the impression that the country is sliding back into the situation prior the Cruzado Plan. Inflation, despite the price freeze, has reached 10 percent. Interest rates are at 90 to 100 percent. The productive sector is discouraged. Our foreign reserves are below the March level. Are we sliding backward?

Sayad: No, that is incorrect. The increase in the interest rates can be explained by the effort to contain consumption and to fight black market prices. The private sector is betting on a high inflation rate. The government has to challenge that bet by raising interest rates. This is bad, very bad, but it is a short-term phenomenom. We will wait.

O GLOBO: Doesn't the government fear that the productive sector will be discouraged by increased interest rates?

Sayad: It might be discouraged over the short term, but the high interest rates should only be a short-term measure to fight inflation.

O GLOBO: How does the government expect to reverse the high interest rates?

Sayad: The high interest rates will tend to drop with the measures that have just been adopted to curb consumption.

O GLOBO: Another problem that has not been solved with the Cruzado Plan is that of the public deficit...

Sayad: The public deficit is exactly at the level announced by the government, 4.5 percent of the GDP. We hope that this year's public deficit will be lower than last year's. We hope that the deficit will be lowered by the increases in public utility rates. But we also have the problem of expenditure control to do that. The government remains committed to austerity spending and it will exert efforts to reduce the deficit.

O GLOBO: Is the 50-billion cruzado cut in state-run enterprises investments for 1987 part of that effort?

Sayad: Cuts were not made, but investments were postponed so that the economy can grow more slowly. This will be discussed with each state-run enterprise.

O GLOBO: Some questions, such as the price of milk and steel, were left pending in the package.

Sayad: Only the price of milk was left pending, not so the price of steel. The prices of intermediary products were not changed, except for the price of electricity for industry. Only the prices of final products were changed.

O GLOBO: But will the government have to review the prices of milk and steel in the near future?

Sayad: The primary condition for the government to start changing prices is that supply and demand be balanced. So far, only the prices of products with localized influence have been changed.

O GLOBO: In addition to the criticism of the population and the economists, the PMDB is also accusing the government of being opportunists by implementing these measures after the elections.

Sayad: Perhaps our anxiety in adopting measures to solve the problems of the economy has created discomfort. To adopt the measures immediately after the elections was a political error. The measures were implemented when the country was in a festive mood, and they were the type of measures that cannot be received when one is in a festive mood. But I am sure that after some discussion, the need to make these readjustments will be understood.

O GLOBO: Do you believe that the election results would have been different had these measures been taken before the elections?

Sayad: If we had proceeded to make the measures public as badly as we did, I believe that the results would have been different. But we are willing to discuss and explain the new measures until they are understood.

O GLOBO: The PMDB is proposing a hardening in the foreign debt negotiations...

Sayad: We are also defending a hardening, meaning that we will try to exact the best possible terms.

PMDB OFFICIALS WANT DEBT REPAYMENT SUSPENDED

PY021532 Rio de Janeiro Rede Globo Television in Portuguese 0125 GMT 2 Dec 86

[Text] In a document drawn up by Deputy Miguel Arraes, governor-elect of Pernambuco, PMDB [Brazilian Democratic Mobilization Party] lawmakers, ministers, and governors-elect have asked that Brazil conduct an investigation to establish which portion of the foreign debt was contracted by legitimate purposes [divida legitima], and to stop repaying the debt while the investigation is under way.

The document was delivered to PMDB President Ulysses Guimaraes today and is intended to reflect the official PMDB position on the issue. The document analyzes the role of the state alternative proposals. The PMDB intends to submit such proposals to the government before 15 December, when the negotiations over the foreign debt with the Paris Club will begin.

VEJA VIEWS TRANSFER OF NUCLEAR COMMISSION

PY281918 Rio de Janeiro VEJA in Portuguese 19 Nov 86 p 50

[Text] The idle Brazilian nuclear program, which has been sticking its hands into the public till since the early 1970's without yielding anything in return, a few days ago took a toll within its own ranks with an unexpected spurt of radioactivity. Engineer Xamuset Campello Bittencourt, a member of the National Commission for Nuclear Energy [CNEN] management, resigned because he disagreed with the course set for a delicate aspect of the nuclear issue -- that is, who runs what in this business. He left his post as a result of a decree signed by President Jose Sarney, linking the CNEN to the Presidency of the Republic.

Without positively saying it, he threw that research and control organization into the arms of the National Security Council. As if it needed more vitamins to gain weight, ther National Security Council, which is so comprehensive in its actions that it meddles in all kinds of affairs and is so secret in its purposes that it operates underground in a basement of the annex building of the Planalto Palace, swallowed the new pill with satisfaction and simplicity.

General Rubens Bayma Denys, chief of the Military Household of the Presidency and secretary general of the National Security Council, has stated that "linking the CNEN to the National Security Council will not change the country's nuclear policy". Although at first, this seems to be a tranquilizing statement, it makes one fear the worst. It so happens that the Brazilian nuclear policy is based on two agreements -- one with the United States, which resulted in a completed power plant that does not work -- Angra I -- and another one with the FRG, which resulted in an incomplete power plant -- Angra II -- barely a skeleton set up on the Rio de Janeiro coast. It will be difficult, however, for the soldiers, who are inclined toward politics, to avoid the temptation to contribute their input to the nuclear problem, which they have been closely following for the past 15 years -- from afar in some cases, and very closely in other cases -- by contributing secret research, possibly for military purposes. Physicist Luiz Pinguelli Rosa, from the Rio de Janeiro Federal University, who is a persistent critic of the Brazilian nuclear dream, says: "CNEN's transfer to military control appears to me to another step in the race to produce a Brazilian atomic bomb."

Rex Nazare Alves, a civilian nuclear expert who heads the CNEN, contributed to the decision to transfer this agency to the National Security Council. Nazare Alves, who has been at the CNEN since the previous government, is an adviser to the National Security Council who coordinates what is known as the "parallel nuclear program," the ongoing program aimed at giving the country its own technology in the atomic field so as not to depend on knowhow from other countries. The CNEN is deeply immersed in this program, as are military laboratory facilites. "It is a program for peaceful purposes," says General Bayma Denys.

It is not difficult to believe in the peaceful purposes of Gen Denys, because research in the nuclear field can more readily lead to the construction of electricity-generating plants than to the manufacture of atomic bombs. Furthermore, any fear in regard to the latter will be premature in a country that has not yet managed to enrich uranium for use in nuclear plants, which do not require technology as sophisticated as that needed to make atomic bombs. However, the militarization of the Brazilian nuclear program could be disastrous -- and the signs can be seen everywhere. A good example dates back 5 years, when the National Security Council sponsored a senseless international maneuver by smuggling uranium out of the country for Iraq.

The problem becomes more sensitive when one examines the areas in which the National Security Council is having a say. It expresses its opinion on the question of agrarian reform, and everyone knows what has happened in this regard. In the area of informatics, it managed to create a mammoth-sized dispute with the United States, the outcome of which is unpredictable. In one of its meetings, the National Security Council went so far as to discuss the signing of "an international agreement to regulate the activities of the world's countries on the moon and other heavenly bodies." Under this broad agenda of the National Security Council, an agency which, like madmen and Indians cannot be held responsible for their actions, the country's nuclear policy has now been placed. This policy used to be entrusted to the CNEN, under the Mines and Energy Ministry.

A look at the central government budget for next year shows that, under the National Security Council account, $1.0 billion cruzados is earmarked for research "in the interest of national security." It is known that the Air Force is conducting work on uranium enrichment at an installation at Sao Jose dos Campos, Sao Paulo State, while the Navy is trying to develop nuclear submarines at the Nuclear and Energy Research Institute, in Sao Paulo. If these submarines travel at the speed at which the Angra 1 plant is going into operation, they will be stranded soon after they are christened with the champagne bottle.

ALFONSIN, SARNEY CANCEL VISIT TO SAO PAULO

PY01182? Madrid EFE In Spanish 1558 GMT 30 Nov 86

[Text] Brasilia, 29 Nov (EFE) -- The magazine ISTO E today revealed that the opposition of Brazilian industrialists to a program for the exchange of products with Argentina has compelled the presidents of the two countries to cancel a visit to Sao Paulo on 11 December.

The magazine states that President Jose Sarney initially announced his decision not to accompany his Argentine counterpart to a meeting organized by the Federation of Sao Paulo Industrialists.

ISTO E noted that this decision prompted Argentine President Raul Alfonsin to cancel his trip to Sao Paulo, where he was supposed to end his official 4-day visit to Brazil.

The Sao Paulo industrialists have voiced their opposition to the terms of an agreement that the two presidents were supposed to sign. The agreement was on the exchange of products, free of taxes, and was supposed to go into effect on 1 January.

Officials of the Argentine and Brazilian Foreign Ministries are now trying to reorganize the program, which has suffered a series of changes, and which might cut Alfonsin's visit short by one day.

So far, Alfonsin is scheduled to arrive in Caraja, Para State, on the afternoon of 8 December. He will be received there by Sarney.

On 9 December the two presisdents will travel to Brasilia where they will sign complementary agreements to the integration protocols signed on 28 July in Buenos Aires.

On the following day, Uruguayan President Julio Maria Sanguinetti will arrive in this capital for a meeting of the three heads of state.

DEL VALLE SAYS RELATIONS WITH U.S. 'DELICATE'

PY030231 Santiago Radio Chilena in Spanish 1600 GMT 2 Dec 86

[By Jose Francisco Contreras from the Diego Portales building]

[Text] Foreign Minister Jaime del Valle has said that Chilean relations with the United States have had ups and downs and that the current period is very delicate. Del Valle made this statement in a speech he delivered in Room 2 of the Diego Portales building during a ceremony marking the 115th anniversary of the Foreign Ministry.

Del Valle, who has been the foreign minster for almost 3 years, reviewed his work during this period. He referred to Chilean relations with Latin American countries, particularly with neighboring countries. Del Valle commented on relations with Argentina, which improved after the Pope's mediation and reached their highest point with the signing of the Peace and Friendship Treaty; with Peru, citing the progress made in implementing the 1929 treaty; and with Bolivia, emphasizing the rapprochement sought in the diplomatic talks being held with La Paz.

Concerning U.S.-Latin American relations, Del Valle said that the United States has violated the nonintervention principle every time it has interfered in the domestic affairs of other nations.

[Begin Del Valle recording] Within the context of our bilateral relations with the United States, which have had their ups and downs, it is evident that we are now experiencing a very delicate period. Anyone studying the history of Latin Axerican-U.S. relations, from the days of independence until now, will notice that they have followed a cyclical process. One will also notice that whenever the United States has decided to interfere in the domestic affairs of countries of the region, exercising its huge power, it has not only violated the sacred principle of noninterventon, but it has also, exceptionally, [words indistinct] mutually beneficial situation. [end recording]

Concerning Chilean relations with Europe, Del Valle said that unfortunately our relations depend on the domestic political situation of the European countries. He pointed out, however, that Chile is more closely tied to Great Britain and France.

Papal Nuncio Msgr Angelo Solano, accredited ambassadors, former foreign ministers, and high-ranking Foreign Ministry officials also attended the ceremony marking the 115th anniversary of the ministry.

ADM MERINO ON CONSTITUTIONAL REFORM, OTHER ISSUES

PY030255 Santiago Radio Chilena in Spanish 2200 GMT 2 Dec 86

[Text] The Government Junta president and Navy commander in chief, Admiral Jose Toribio Merino Castro, has said he favors both free elections and a plebiscite. The Navy commander further said he agrees with the possible modification of many articles of the 1980 Constitution that is now in force.

While he talked about the La Torre, a new Navy ship Adm Merino Castro had the following to say to "Primera Plana":

[Begin recording] [Reporter] as president of the Government Junta and also as Navy commander in chief, what can you tell us about the studies being conducted to modify the Constitution?

[Merino] Nothing. I have nothing to say at this moment. We are talking about the La Torre. This ship will arrive on 20 December from Great Britain. Together with the (?Copland) and the (?Calamo), the La Torre will complete a threesome of equal ships.

[Reporter] But can something be modified?

[Merino] I believe that some things can be modified.

[Reporter] Which, Admiral?

[Merino] I cannot tell you, because there are many things.

[Reporter] What do you prefer, the plebiscite or direct elections?

[Merino] Both of them, the plebiscite and the direct elections. [end recording]

You have heard what he had to say. Many articles of the Constitution might be modified, according to Adm Merino Castro. He was then asked: What do you prefer, the plebiscite or direct elections? His answer was: Both the plebiscite and the direct elections.

Admiral Merino made these comments after a session of the Government Junta during which the post of lawyer prosecutor general was created. This official will participate in cases involving crimes under the antiterrorist law that are heard by the court. The Government Junta thus approved modifications to Law 18,314, which classifies terrorist acts and determines the penalties. The lawyer prosecutor general will fall under the Interior Minister; be appointed by the president; and be charged with requesting that the court execute all the necessary procedures to establish the type of crimes, the culpability of the indicatees, and urging the prompt completion of trials.

This information was provided to the press by Adm Merino Castro:

[Begin recording] [Merino] The nodification of the antiterrorist law was approved and the post of lawyer prosector general, under the jurisdiction of the Interior Ministry, was created. He will charged with centralizing all actions against terrorist indictees in the courts. These questions are now in the hands of the intendants and so the Interior Ministry then does not have all the necessary information as to who is under arrest, who is being prosecuted, etcetera. So this lawyer prosecutor general will centralize all this information in the Interior Ministry.

[Reporter] Will this speed up the trials?

[Merino] Not only that, but it will also serve to prevent the dispersion of cases involving the same individuals in different districts. [end recording]

Adm Merino declined to say anything about the lower court ruling condemning to death three individuals who were found guilty in the killing of Santiago Intendant General Carol Urzua and two of his bodyguards. He only said that if that was the conclusion of the presiding judge, the sentence should be correct.

CPCH, IC, SP WANT DIALOGUE WITH CENTER-RIGHT

PY020152 Santiago Radio Chilena in Spanish 2200 GMT 1 Dec 86

[Text] Chilean Communist Party [CPCh] Secretary General Luis Corvalan, Christian Left [IC] coordinator Luis Maira, and Socialist Party [SP] Secretary General Clodomiro Almeyda have written a joint document that was made available to Radio Chilena. Corvalan, Maira, and Almeyda note that their respective political parties have determined that democracy and peace should be the objective that gathers all the social and political forces of the country. The IC, the SP, which participates in the Popular Democratic Movement, and the CPCh define the essentials of the democracy they are trying to reestablish in Chile in the document.

In this regard, they say that popular sovereignty is the source of the legitimacy of power and that it can originate a political system based only and exclusively on that sovereignty, with the main objective of promoting and developing all aspects of human rights. Almeyda, Maira, and Corvalan point out that on the basis of these ideas, they are willing to talk with an open mind, and they call on the center-right political organizations to initiate a dialogue leading to a democratic agreement. They add that this dialogue should permit the clear establishment of the common basis for governability, as well as the political commitment to give joint impluse to the struggle for democracy, without affecting the autonomy of the parties and the policy of alliances.

Our attitude is flexible, and we condemn terrorism, as we do the violence of which we have been the main victims, both explicitly and tacitly, says the document signed by Luis Maira, coordinator of the Christian Left; Luis Corvalan, secretary general of the Chilean Communist Party; and Clodomiro Almeyda, secretary general of the Socialist Party, which participates in the Popular Democratic Movement.

ARMY IMPLEMENTS COUNTERINSURGENCY OPERATION

PA282344 Bogota Cadena Radial Super in Spanish 1730 GMT 28 Nov 86

[Text] Bogota -- The Army Command is carrying out a counteroffensive which has been coordinated with three Army brigades and Navy Infantry support units to determine the whereabouts of ELN [National Liberation Army] and EPL [Popular Liberation Army] insurgents who have recently been pillaging the following areas: northern Antioquia Department, southern Bolivar Department, and northern El Cesar Department.

The Cartegena and Antonio Narino Battalions of the 2nd Brigade, Girardot and Anzoategui Battalions of the 4th Brigade, and Santander and Garcia Rovira Battlions of the 5th Army Brigade -- headquartered in Bucaramanga -- have been participating in the operations. According to Army Command reports, the first armed clashes occurred in the town of Valencia in Cordoba Department, [name indistinct] in Antioquia Department, and [name indistinct] in Bolivar Department, where the Army is fighting EPL and ELN columns. So far, 20 guerrillas and 4 soldiers have been killed in the bloody clashes.

The Catam Military Base, which is an air command used for tactical support, reported that three units equipped with artillery were deployed to the area where the counterinsurgency actions are taking place.

GUERRILLA GROUP ATTACKS OIL PIPELINE CAMP

PA281606 Madrid EFE in Spanish 0440 GMT 28 Nov 86

[Text] Bogota, 27 Nov (EFE) -- A guerrilla group today dynamited a camp of a company that maintains the country's principal oil pipeline, destroyed machinery, and kidnapped two workers, according to CARACOL Radio network. CARACOL said that at least 200 men from the Army of National Liberation (ELN) attacked the camp of a Colombian company in Norte de Santander Department along the Cano Limon-Covenas oil pipeline.

This attack against the oil installations was at kilometer 168 of the 765-km oil pipeline, at a place known as Quebrada del Oro, San Bernardo de Bata Municipality. CARACOL said that the insurgents destroyed the workers' housing, set fire to a crane and a backhoe, and kidnapped two workers. The kidnapped workers, who were forced to accompany the insurgents to an unknown destination, were identified at Luis Eduardo Villamizar and Raul Jamer.

The ELN has attacked the same oil pipeline more than 20 times this year. The pipeline moves the oil from the country's most productive well to the shipping port. One week ago the ELN carried out the most serious attack ever against the pipeline at a place between Samore and Banadia, Norte de Santander Department, causing thousands of barrels of oil to spill into the Arauca Riber, on the Venezuelan border. This set the authorites of both countries to work to prevent a water-polluted ecological disaster.

RADIO NANDUTI JOURNALIST REPORTED MISSING

PY291939 Paris AFP in Spanish 1727 GMT 28 Nov 86

[Text] Asuncion, 28 Nov (AFP) -- Radio Nanduti spokesmen today told AFP that one of the radio station's most important reporters, Oscar Acosta, has been missing for the last 2 days after having been harassed by the police.

Acosta should have traveled to Caracas today to attend a meeting of members of the Latin American Press Workers Federation (Felatrap), but his trip was suspended owing to his situation, sources of the Paraguayan Journalists Union (SPP) have reported. Journalists of the union believe that Acosta has been harassed by the police because he covered an SPP demonstration supporting Benjamin Livieres, a fellow journalist who is under arrest.

It is also being said in press circles that Acosta conducted a brief investigation into the causes leading to the death of a politician close to the Colorado Party and that the police intend to question him on this subject.

Another Nanduti reporter, Nicolas Arguello, has been sued by Alejandro Caceres Almada, director of the state-owned Radio Nacional, for allegedly slandering and offending him during a meeting of union reporters.

At the meeting to appoint the new board of the progovernment Association of Paraguayan Reporters and Radio Operators (Alortpa) and in the name of the other reporters, Arguello voted against the election of Caceres Almada as the group's honorary president. On that occasion, Arguello said that Caceres is responsible for the daily radio program La Voz del Coloradismo (of the ruling party), which severely attacks the opposition, independent journalists, and the bishops of the Catholic Church.

Incidentally, the Paraguayan Catholic bishops have released a lengthy signed statement rejecting the daily attacks of La Voz del Coloradismo and emphasizing that this program sows offenses, wrath, vindicativness, and hatred among Paraguayans.

POLICE AGAIN DETAIN DOCTORS UNION LEADER

PY022342 Asuncion HOY in Spanish 30 Nov 86 p 6

[Text] Dr Carlos Filizzola, the president of the physicians association of the Hospital de Clinicas, was arrested yesterday near his home by police personnel. The trade union leader was intercepted on the street by the police and remains "detained and incommunicado," his mother has reported.

His trade union companions, attorney Abilio Rolon, and Dr Filizzola's mother went to the police headquarters. The police guard confirmed that Filizzola was detained by "orders from above" and that he is incommunicado. They were told that the car could be retrieved.

A habeas corpus writ will be filed first thing on Monday morning by attorney Pedro Abilio Rolon to learn the reasons for Filizzola's detention.

Various Hospital de Clinicas trade unions held a special meeting at 1030 and decided on a full stoppage at the Hospital de Clinicas. Only emergency cases will be cared for and the stoppage will last until tomorrow at 1030 when a new meeting will be held.

Reactions [subhead]

Dr Enrique Bellasai, a member of the physicians association, referred to his colleague's arrest, saying: "When there are no reasons for arresting a companion we see in this police action the repression which we are suffering for our struggles to have our claims met. What the police have done is to repress a person (referring to Filizzola) who represents an entire trade union. This is not the way that they will silence us. We will respond to every action employed, such as imprisonment and nightsticks, with true courage and in a peaceful manner for the goals for which we are struggling."

Elsa Mereles, the president of the Association of Nurses and Employees, stated: "Now is the time for all of us to be united and make drastic decisions over this new governmental abuse. My house and Dr Carrillo Iramain's clinic are continuously being raided. I propose and support the idea that the [Hospital de Clinicas] executive board and the [Medical School] dean are asked to go to the police headquarters to learn about the detention of our colleague Filizzola. It is being said that this is the Year of Peace but I am saying that this is the year of injustice and beatings."

Dr Anibal Carrillo Iramain stated: "Our slogan The Struggle Continues is again in effect. All of us thought that tranquillity would prevail through the Christmas and New Year festivities. We thought of resuming the struggle with a renewed spirit next year. We are confronting a new provocation centered on our colleague Carlos Filizzola."

Protest Demonstration

PYO22356 Paris AFP in Spanish 2124 GMT 1 Dec 86

[Excerpt] Asuncion, 1 Dec (AFP) -- About 1,000 Paraguayan physicians, nurses, and medical students today chanted anti-governmental slogans against the police demanding that their companion Carlos Filizzola, who was arrested last Saturday, be set free.

The trade union members, who include workers and students, decided to continue for another 48 hours a stoppage started last Saturday. The demonstrators, who have been demanding salary raises for 8 months, today decided not to confront the police which posted themselves in a threatening position in front of the [medicine] faculty's front door and stopped the traffic toward the hospital, which is across the street.

Confronted by the security forces, wielding heavy truncheons, gas masks, and tear gas, the demonstrators sung the national anthem and the youth song "Dear Fatherland, We Are Your Hope," and then chanted antigoverment slogans. The people responsible for the demonstration have not reported any injuries. They denounced, however, the harassment being suffered by union leaders who have not returned to their houses since permanent guards were posted. [passage omitted]

LOW INTEREST RATES MAINTAINED FOR INDUSTRY

PY021951 Lima Television Peruana in Spanish 0110 GMT 2 Dec 86

[Text] Economy and Finance Minister Luis Juan Alva Castro today said that interest rates in the Andean Trapezium [poverty-striken region in Peru] will be kept low. He added that the investment programs will be directed to satisfy the needs of the broad sectors of the country.

[Begin recording] [Alva Castro] We had the courage to introduce an economic policy of low interest rates and put it at the service of the Peruvian people. The cost of money was so high in the past that it was impossible for anyone to invest in productive activities. People became engaged in speculation because it was very difficult to pay 200 or 300 percent annual interest rates and still invest in productive activities. But all that belongs to the past. Everything in Peru today is valued in the national currency, intis. More than 85 percent of the national savings are now in national currency. This is very positive because it allows us to have a stronger financial system with reasonable profits. It permits individuals and companies to charge only the interest rates which the government has established. That is why the government, which has reduced commercial interests rates from 280 to 40 percent, will continue to maintain the policy of promoting agrarian, productive and rural activities through preferential interest rates. I have said that the existing 12 through 0 percent interest rates will be maintained for the Andean Trapezium, the most depressed and forgotten area of the country. They have never received attention from the national government as they do now. They now have the helping hand, the gesture and attitude, of a militant government working at the side of its people.

COURT SENTENCES SHINING PATH MEMBERS TO PRISON

PY272147 Paris AFP in Spanish 1144 GMT 27 Nov 86

[Text] Lima, 27 Nov (AFP) -- Five members of the Shining Path Maoist Group, including leader Laura Zambrano Padilla, alias Comrade Meche, have been sentenced by a Superior Court to sentences of 4 to 10 years imprisonment.

Laura Zambrano has been accused of leading the attack on the Miraflores police station in 1983, when Commander Magno Moreano and one policeman died, and two others were wounded. She is also accused of organizing the people's indoctrination schools which the Shining Path has established in several Lima neighborhoods. The court today sentenced her to 10 years imprisonment.

Two other terrorists, Dalila Lanatta and Josefo Ludena, were sentenced to 5 years in prison. Teresa Lopez and German Vasquez were sentenced to 4 years. They were charged with terrorism, homicide, and assaults on banks and public institutions. The defense attorneys have appealed the sentences, and the Supreme Court will now review them. Comrade Meche has other pending trials involving terrorism.

DEPUTIES APPROVE ELECTORAL REFORM BILL

PA300038 Mexico City UNOMASUNO in Spanish 27 Nov 86 pp 1, 9

[By Mario Alberto Reyes]

[Text] It is up to the federal goverment to organize, execute, and supervise electoral processes. According to law, a tribunal will be formed to discuss and decide electoral matters. The decisions of this tribunal can only be amended by the electoral colleges of each chamber. These colleges' decisions will be final.

The foregoing ideas are inferred from the opinion on the draft to amend Articles 52, 53, 54, 55, 60, and 77 of the Constitution. The draft was read at the Chamber of Deputies' plenum for the first time yesterday. It was signed by the PRI majority, while the parliamentary fractions of the PAN [National Action Party], PRT [Revolutionary Workers Party], PSUM [United Socialist Party of Mexico], and PMT [Mexican Workers Party] refused to sign it. The PDM [Mexican Democratic Party] voted no. PARM [Authentic Party of the Mexican Revolution] and PPS [Popular Socialist Party] agreed with the PRI.

In addition, the Government and Constitutional Affairs Commission, which expressed an opinion on the constitutional amendments draft presented by the executive branch, dismissed the proposals because they added to and amended Articles 41, 52, 53, 54, 56, 57, and 60 of the Constitution, as introduced by the opposition parties.

According to the opinion on the executive branch's proposal, the Chamber of Deputies will be formed by 300 majority deputies and 200 deputies of proportional representation. For the election of the latter, five plurinominal electoral precincts will be created in the country. The respective bylaw will determine the boundaries of each of these precincts. This seeks to raise the number of deputies of proportional representation to 100. In addition, any one party can have only as many as 350 deputies recognized -- which represents 70 percent of the chamber's total membership -- even if the party in question has received a higher percentage of votes.

Furthermore, if no party receives 51 percent of the votes in the country and if the party with the plurality does not attain half plus one of the chamber members, then the plurality party will add deputies of proportional representation until it attains absolute majority in the legislative body. If this is the case, or if there is a tie in the relative majority, the chamber's absolute majority will be granted to the party which obtained the most votes by relative majority in the legislative elections at a national level.

Similarly, the suggested constitutional reforms would require that the Senate be formed by two members from each state and two from Mexico City and that they be chosen through direct elections. Half the Senate will be changed every 3 years.

Senators "who are elected by the 54th and the 55th legislatures of the Mexican Congress will occupy those offices from 1 September 1988 until 31 October 1994, and those who are elected by the 54th legislature will occupy those positions from 1 September 1988 until 31 October 1991."

Each chamber will assess the election of its members and will clear any doubt concerning the election. The deputy electoral college will join the would-be legislators who obtain a proof of relative majority issued by the federal electoral commission. The deputy electoral college will join both the legislators elected by relative majority, as well as those elected by proportional representation.

The Senate electoral college will meet with the would-be members who obtain the declaration issued by each state's legislature and by the permanent commission of the Congress in the case of Mexico City, and with the legislators of the previous legislative body who are still in office.

SEPULVEDA SCORES MISINFORMATION CAMPAIGN

FL251814 Mexico City NOTIMEX in Spanish 0323 GMT 25 Nov 86

[Text] Mexico City, 24 Nov (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda Amor said today that the Mexican government condemns and repudiates the well-orchestrated campaign of systematic and fierce slander and defamation against our country; it is very concerned about these attacks on respectable institutions of the Mexican state. Speaking to the Senate, Sepulveda said that this slander and defamation is not circumstantial but, on the contrary, is part of a systematic and fierce anti-Mexican campaign.

Responding to Socorro Diaz Palacios, senator for Colima, during the question and answer session following his address, Sepulveda said there is also concern that this defamatory campaign is designed to magnify and distort the nature of the problems affecting the country.

I want to make it a matter of record that the foreign secretary and the Mexican Government emphatically condemn and repudiate this anti-Mexican campaign, Sepulveda declared. He said that in addition, attempts are being made to distort the legitimate progress achieved by the government in order to discredit Mexico's political values, which are still very much alive.

You cannot ignore the fact that this kind of campaign could be part of a misinformation process utilized as a political tool, he added. A campaign such as this has negative effects on the prestige, good name, credibility, and respectability of the government and the people, he said. We deplore the systematic way that this distortion of national reality has taken place in the past years, but we believe that Mexican institutions are strong enough to ensure that this misinformation will not hurt or diminish the country's capacity to respond to the great challenges it faces, he declared.

He expressed confidence that institutions will be able to resist these attacks from abroad, and that they will firmly oppose all attempts to derail the country's progress.

Sepulveda maintained that a response to these attacks from abroad requires the proper use of all resources available to both the government and society. He emphasized that it is up to the Mexican state to safeguard the fundamental interests of the nation. It is up to us to coordinate this huge effort, he added.

He explained that Mexican embassies are able to convey a true picture of what is happening in the country, but that information is carried by many other means and they are not always the proper channels to counteract campaigns of this nature.

He cited the responsibility of the Mexican news media to give a true picture of the nation's reality and noted the need to exert bigger efforts to make institutions better, to counter criticism that may be justified in some cases but unfair in others. He gave as an example a series of articles in an American newspaper distorting the facts about Mexico in offensive terms.

He emphasized that all of Mexico's public and private institutions must join forces because the effort made so far has not brought results, though the federal executive is engaged in a coordinated, thorough, and earnest endeavour, because we believe that everything involving an understanding of Mexican cultural values in the United States is important.

We believe that this is a long-term effort and some patience is necessary before results come about; however, we feel that at the political level it is fundamental to have more contact between the Mexican and U.S. Congresses, he stated.

Sepulveda then noted that in a large number of cases inaccurate information is circulated in the U.S. Congress in an arbitrary and capricious manner, which hurts Mexico because it lacks legitimacy. It is imperative to step up the circulation of positive, sensible, and judicious information about Mexico.

Lastly, he said that with a greater effort from the Mexican Congress, there will emerge a greater understanding of what Mexico really is. Mexican trade unions could also help the state in divulging the facts about Mexico worldwide.

BRIEFS

DRUGS DESTROYED -- Alfonso Mancera Segura, the commander of the 11th Military Zone in Zacatecas, has reported that in the last 6 days of the "Cruz Grande" operation over 290,000 marijuana and poppy plants were destroyed. Meanwhile, in the 35th Military Zone in Chilpancingo, 171 kg of poppies, 313 grams of poppy seeds and 25 packets of marijuana, valued at 13 million pesos on the black market, were burned. Robert Haeni Rangel, the general and commander of that zone reported. [summary] [Mexico City EXCELSIOR in Spanish 26 Nov 86 p 1,2 PA]

EL SALVADOR

ACEVEDO CALLS DUARTE UN TRIP 'SUCCESSFUL'

PA020434 Panama City ACAN in Spanish 2200 GMT 1 Dec 86

[By Ricardo Chacon]

[Text] San Salvador, 1 Dec (ACAN-EFE) -- Salvadoran Foreign Minister Ricardo Acevedo Peralta today described President Jose Napoleon Duarte's trip to the UN last week as "successful." President Duarte went to the UN in search of help for the victims of the earthquake that rocked the country on 10 October.

Ricardo Acevedo Peralta said that during his trip to New York the Salvadoran president achieved two important things: "receptiveness and prompt aid to rebuild the capital city, and a favorable resolution on respect for human rights in the country." Two months after the earthquake, Duarte's government has begun an international offensive to collect approximately $1.5 billion to rebuild the Salvadoran capital city, which was partially destroyed by the earthquake.

Last week President Duarte headed a delegation to the UN to explain the government's reconstruction plans for San Salvador and to request the necessary international economic aid. During today's news conference Acevedo Peralta said that President Duarte's efforts were "totally successful," especially because prompt aid was received from countries like Sweden, Finland, and Germany. These countries made immediate donations of $1 million each. Acevcedo Peralta added that 18 other countries have offered economic aid. However, the foreign minister said that the amount of aid the country will receive cannot be estimated because to date, only preliminary plans and commitments have been made.

Acevedo said the resolution on human rights, approved by consensus at the UN on Friday following Duarte's speech, "has been the most favorable resolution this country has received in the past 6 years." The minister said that the resolution is favorable for the country because it eliminates the belligerency of the FMLN-FDR [as received] and recognizes the progress made by Duarte's government in the field of human rights." [quotation marks as received]

Acevedo Peralta said that "the resolution recognizes the favorable report presented by UN Rapporteur Pastor Ridruejo instead of the less favorable resolution presented by Mexico, Peru, Sweden, and Algeria."

"Also," Acevedo Peralta added, "the resolution does not state, like the previous one did, that the rapporteur must remain at the United Nations as long as the conflict lasts. This gives us the chance to request an amendment or elimination of the mandate in Geneva in February."

"However, we would never have accepted Mexico's proposal. This proposal received a heated response because it did not recognize any progress in the matter of human rights," Acevedo Peralta said.

The resolution, approved after it received 98 votes in favor, none against, and 37 abstentions, expresses "concern" because serious human rights violations in this country continue. Among other things, the document states that "the humanitarian rules of war are not being respected," and asks the government "and the opposition forces" to adopt measures to "strictly" abide by the 1949 Geneva Convention.

The UN resolution "regrets the fact that the dialogue between the authorities and the opposition forces continues to be interrupted and recommends the prompt renewal of the dialogue to achieve a political, overall, and negotiated solution to the conflict.:

Asks for Withdrawal of Lawsuit

PA020427 Panama City ACAN in Spanish 0211 GMT 2 Dec 86

[Excerpt] San Salvador, 1 Dec (ACAN-EFE) -- The Salvadoran Government expects international organizations to convince Nicaragua to back off from its demands made before The Hague Court against Honduras and Costa Rica, it was reported today.

Salvadoran Foreign Minister Ricardo Acevedo Peralta suggested today at a news conference that the Contadora Group (Mexico, Colombia, Venezuela, and Panama) and the Support Group (Argentina, Brazil, Peru, and Uruguay) mediate to make Nicaragua withdraw its charges. He also asked the United Nations and the OAS to use their good offices with the Sandinist regime to make a resumption of regional negotiations possible.

The foreign minister was expressing his government's position on a regional peace proposal made public this weekend by Contadora and its Support Group as well as the United Nations and the OAS.

Nevertheless, the foreign minister said the charges filed by Nicaragua against Honduras and Costa Rica "continue to make it impossible to resume the area dialogue." He added that it is necessary to remove the obstacles to clear the way for dialogue, which can be helped by Contadora, the OAS, and the United Nations to convince Nicaragua to withdraw its charges. If Nicargua should ever file charges against El Salvador at The Hague, "we will be prepared to respond because they (the Sandinists) are the aggressors in the area." [passage omitted]

CHURCH TO NEGOTIATE RELEASE OF GUERRILLAS

PA301923 Paris AFP in Spanish 1729 GMT 30 Nov 86

[Text] San Salvador, 30 Nov (AFP) -- San Salvador Auxiliary Bishop Gregorio Rosa said today that the church is "disheartened" by the increase of violence in recent days, and he disclosed that the church will not negotiate a Christmas truce between the government and the guerrillas. Msgr Rosa said the previous requests for a halt to the hostilities "have left such a bad memory that for the time being we do not plan to serve as mediators or guarantors of a truce that is difficult to control and to know who has broken it first."

After the mass at the metropolitan cathedral, the prelate announced that the church will cooperate in the possible departure from the country of 11 disabled guerrilla fighters who were given their release papers 8 days ago but who are still at Mariona Prison because of fear for their security. Msgr Rosa explained that some of these individuals had expressed their desire to stay in the country along with their relatives and that others wanted to travel abroad, but "now the situation is confusing because we have been told that they all want to travel abroad."

A communique on the political prisoners being held at Mariona stated that there are 26 disabled political prisoners who were captured while they were being transferred by the International Red Cross Committee to hospital centers or were already receiving medical attention in hospitals.

The disabled prisoners whose release has already been granted are requesting the church to negotiate their departure from the country, the diplomatic corps to intercede so some government will accept their entrance, and the International Red Cross Committee to guarantee their security in the transfer from the prison to the place from which they will travel abroad.

ARCHBISHOP REJECTS DOCUMENT CRITICIZING DUARTE

PA020020 Hamburg DPA in Spanish 2209 GMT 1 Dec 86

[Text] San Salvador, 1 Dec (DPA) -- San Salvador Archbishop Msgr Arturo Rivera y Damas has rejected a document presented by the church base communities in which they question the Jose Napoleon Duarte regime's attitude because it asks the guerrillas to lay down their weapons but does nothing "to resolve the conflict." This was learned today after Sunday's meeting between Msgr Rivera y Damas and 200 delegates of these church communities. Msgr Rivera y Damas described the position of the communities as "unilateral."

The archbishop further described this position as the pressure of a people's church because, among other things, the document states that "the situation of sin in El Salvador (which in our case is specified in the capitalist system) has led the country to a deep crisis; the laws are only enforced on the poor; there is hunger and misery; and, above all, there is no land and the wealth produced is not distributed properly."

The document also accuses the United States of deepening the war and that with its economic aid it manages to manipulate the country. The document adds that if the war involved only the Salvadoran people, it would have already ended. The church communities also protested because the "packaged swindle," the taxes, and the increase in prices only serve to take money from the people and finance the war.

The document presented to the archbishop by the church base communities representing the whole archdiocese also criticizes the Army's counterinsurgency plan called "united to rebuild." According to the communities, this plan is only aimed at confronting brother with brother among the peasant sector, offering some of them "a little aid" but without explaining that "after this little aid comes the bombings."

Regarding the 10 October earthquake, the communities have criticized the fact that the aid sent to the country has not reached the people that need it most, and added that those donations are being used by the Army.

San Salvador, the least affected by the war, suffered the effects of the earthquake. However, the most damage was suffered by the poor, and the corrupt have used the confusion that developed after the earthquake to speculate with basic products, the church communities stated. Meanwhile, the archbishop has rejected their position and has asked them to reconsider their views.

FMLN SUBMITS NEW PROPOSAL ON FREEING AVALOS

PA021916 Hamburg DPA in Spanish 1535 GMT 2 Dec 86

[Text] San Salvador, 2 Dec (DPA) -- The church and the relatives of Colonel Omar Napoleon Avalos expect him to be freed before Christmas. He has been in the hands of the guerrillas since October 1985.

Avalos was director general of civil aeronautics when he was kidnapped from his farm, which is approximately 38 km from the capital, on 26 October. The news of the kidnapping was received by President Jose Napoleon Duarte at the presidential palace while he was thanking the press for its efforts during the kidnapping of his daughter, Ines Guadalupe.

The FMLN sent to the Presidency and military command today a firm proposal for freeing Avalos. However, the Army has remained silent on the proposal. There is little optimism in certain Army sectors because, sector chiefs "feel that the proposal is tough and could therefore receive a negative reply."

The church has not wanted to reveal anything inasmuch as confidentiality was one of the preconditions, and if the FMLN or the Armed Forces have not said anything, the church is certainly not in a position to do so.

According to the most recent proposals known, the FMLN asked for the freeing of 46 political criminals; however, the Army says that only about 22 are eligible as these are the ones the law would allow to go free without state intervention. Col Avalos has more than once called for the military to become concerned with his case, but his pleas have gone unanswered.

Today, Bishop Gregorio Rosa Chavez, auxiliary to Bishop Arturo Rivera y Damas, said that a Red Cross delegate together with Msgr Rivera y Damas had the opportunity to meet with Avalos.

REY PRENDES BRANDS UNTS CONFERENCE 'FAILURE'

PA262158 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 26 Nov 86

[Text] Julio Adolfo Rey Prendes, culture and communications minister, has said the march of the UNTS [National Union of Salvadoran Workers] and the conference for peace that was held in the Central American University were a failure especially if one bears in mind the withdrawal of unions such as the [acronym indistinct], the Agemha [General Association of Finance Ministry Employees], and the UPD [Democratic Popular Unity]. Rey Prendes said this is why a group of North Americans came to the country to cooperate with the FMLN-FDR [words indistinct] the civilian victims of the war at a time when the people are thinking above all about how to obtain aid for the earthquake victims and for the thousands of displaced people in the country. The Salvadoran people are not thinking about groups of North Americans who come to spread propaganda for the terrorists and the War, Rey Prendes added.

He said the conference organized by the UNTS was held with the cooperation of North Americans who belong to the [acronym indistinct] which is a committee organized in the United States in solidarity with the FMLN-FDR terrorists. He added that this organization works in favor of the FMLN as the UNTS bulletins state. I do not know if these people who came from the United States are individuals involved in leftist movements or if they were deceived and brought here, Rey Prendes said, adding: I say the latter because a number of requirements were established for making the trip to El Salvador.

GUATEMALA

CEREZO, CARPIO NICOLLE SUPPORT AREA PARLIAMENT

PA021503 Panama City ACAN in Spanish 1857 GMT 1 Dec 86

[Text] Guatemala City, 1 Dec (ACAN-EFE) -- The worsening of the Central American crisis and the lack of dialogue between the area governments have prevented the Central American parliament from being created, Guatemala's Vice President Robert Carpio Nicolle said today. Nevertheless, Carpio Nicolle, who has promoted the regional forum, said the idea "has not failed."

President Vinicio Cerezo proposed the formation of a Central American parliament as a political forum to discuss and to solve the problems of regional countries. The project was approved by area heads of state during the presidential "summit" meeting held in Esquipulas on 24 and 25 May 1986.

Carpio Nicolle said the deadline for the formation of the Central American parliament has not expired, noting that the idea "has the support of the international community." The commission appointed to draft the regulations has fulfilled its mission, "however, these regulations must still be discussed so they can be approved by the Central American governments' representatives," Carpio Nicolle added.

"When the regulations are approved, they will be reviewed and signed by the presidents of the area countries," he said.

Among the obstacles to create the parliament, Vice President Carpio Nicolle mentioned Nicaragua's lawsuit against Honduras and Costa Rica in the International Court of Justice. In July, Nicaragua brought suits against its neighbors for their alleged "complicity" with U.S. support for the "contras." Costa Rica and Honduras have stated they will not attend any Contadora Group meeting so long as Managua does not withdraw its lawsuits. The Guatemalan vice president said that dialogue in Central America "is at a standstill, but there are talks being held to reinitiate it."

President Cerezo told ACAN-EFE in the halls of the Government Palace today that since the working meeting of the vice presidents in July, "there have been no further meetings to discuss the formation of the parliament."

A document was signed on that occasion stating the willingness to organize a multinational technical commission, and there is still time for the governments of the region to comment on Guatemala's proposal, Cerezo said.

The commission, made up of the vice presidents, foreign ministers, and three delegates from each country, must submit the bylaws, which will be signed by the presidents in December.

CONGRESS, MILITARY LEADERS ASSESS 'NEUTRALITY'

PA021830 Panama City ACAN in Spanish 0225 GMT 2 Dec 86

[Text] Guatemala City, 1 Dec (ACAN-EFE) -- Top military leaders and members of the Legislative Congress' directorate held a 3-hour secret meeting this afternoon to analyze the Army's position regarding Guatemala's "active neutrality" policy.

General Jaime Hernandez Mendez, defense minister; General Hector Gramajo, chief of the Army General Staff; and Captain Juan Fernando Cifuentes, Army spokesman, appeared before the Congress.

The meeting, which began at 1600 local time and ended at 1900, was held behind closed doors. Members of the press were not allowed to enter the room where the deputies were gathered. Upon leaving the legislative building, Gen Hernandez Mendez said that "the two sides are congratulating each other because some differences were resolved."

"The active neutrality position regarding the Central American conflict is part of the government's foreign policy and within its jurisdiction; thus, it does not pertain to the Army," he said.

Last week, Cifuentes had said "the active neutrality position could change in keeping with the circumstances." This statement has brought about the deputies' decision to summon the top military leaders to the legislative chamber.

Christian Democrat Alfonso Cabera, Congress president, said "the meeting was held behind closed doors because certain issues discussed deal with state security and cannot be disclosed." Hernandez Mendez, who refused to delve into the struggle brought about by his spokesmana's statement, said "there is a need to reactivate the Central American Defense Council [CONDECA]; "there will therefore be a meeting in Guatemala in late January." [quotation marks as received]

The Guatemalan defense minister said: "The top military leaders of Central American countries, including Panama and Nicaragua, have been invited to participate in determining the fate of this military organization and in deciding what country will be given the presidency."

Revolutionary Party (PR) Deputy Victor Hugo Godoy said that "we are interested in bringing peace to the region and that is why we invited the military leaders to discuss their position on the active neutrality policy." The PR legislator pointed out that "this is a democratic exercise involving a frank dialogue to bring politicians closer to the armed institution."

Meanwhile, Gabriel Giron Ortiz, secretary general of the National Unity Front (FUN) and the only one who has commented about the differing criteria between the government and the Army, voiced his oppositon to "active neutrality."

"It is nothing more than a masquerade to avoid pleasing or displeasing anyone, but in reality, we are displeasing everyone," the moderate rightwing political leader added.

GOVERNMENT TO RECEIVE FRG COMMUNICATIONS GEAR

PA290400 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 29 Nov 86

[Text] Acting Government Minister Benjamin Rivas Barato said today that in early December Guatemala will receive a donation of radio patrol and radio communications equipment from the FRG. The equipment, valued at $5 million, was shipped in mid-November and will be received by the Guatemalan Government on 7 December, the official said.

The Government Ministry report on the new equipment being sent for the National Police states that the shipment includes 54 radio patrol cars, 5 buses, and 60 motorcycles. Also included are a considerable number of radio transmitter batteries for mobile and stationary use. The Government Ministry did not give details on the arms the National Police will acquire in accordance with the recently announced government agreement whereby the purchase of metal equipment [equipo de metal] is approved for the police security services.

NEW REBEL BULLETIN FOCUSES ON URNG RELATIONS

PA301653 Mexico City EL DIA in Spanish 28 Nov 86 p 12

[Excerpt] Guatemala City, 27 Nov -- CERIGUA/ENFOPRENSA -- [Passage omitted] As long as a real democratization process is not begun in Guatemala, the insurgents will not lay down their weapons, the URNG reiterated in the first issue of its international bulletin, which was released here today.

The URNG begins its monthly publication with an extensive analysis of Guatemala's internal situation. According to the URNG, the bulletin "constitutes progress in the unity process," and demonstrates the development achieved since the organization's establishment in 1982.

The most important insurgent organization states that the circulation of a publication of unity is the result of "the increased agreement of views in the political, military, and diplomatic analyses (by the member organizations of the URNG)." It also states that levels of political identification and ideological rapprochement have been achieved among them.

The bulletin also refers to the dialogue proposal made to President Vinicio Cerezo on 25 October in response to the president's statements during his European tour. It noted that "at this time, the URNG has taken the initiative in the search for peace and a political solution of the internal conflict of Guatemala."

The publication also presents a summary of the political proposals made by the URNG throughout this year, and it indicates that these were made within a framework of "flexibility and firmness." It states that the URNG will not hinder any democratization effort but that it will maintain its position of struggle until the minimum conditions for such an objective are created. [passage omitted]

HONDURAS

AZCONA ARMY LEADERS HOLD 'SECRET MEETING'

PA021835 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 2 Dec 86

[Text] Armed Forces Commander General Humberto Regalado Hernandez and President Azcona held a secret meeting yesterday. They might have analyzed the implication of ranking officers in weapons sales from Israel to the Nicaraguan contras. Army G-2 Commander Colonel Wilfredo Sanchez and Foreign Minister Carlos Lopez Contreras also participated in the urgent meeting convoked by President Azcona.

Although there is no official information regarding what was discussed at the meeting, Radio America learned that the possibility of appointing a high level investigating commission to clarify the participation of Honduran military officials in the delivery of weapons to anti-Sandinist rebels was considered.

This subject is top news today. THE MIAMI HERALD reported yesterday that official documents show that part of the profit from the U.S. weapons sales was delivered to the Nicaraguan contras. It was also reported that Israel delivered weapons to the contras directly through the Honduran Army.

These implications are possibly being analyzed at meetings between the president of the Republic and the Armed Forces commander. David Romero has a report on this.

[Begin recording] The possible participation of ranking Honduran officers in the sale of weapons to the Nicaraguan contras was reportedly discussed yesterday at the Government House. President Jose Azcona Hoyo urgently summoned Armed Forces Commander Gen Humberto Regalado Hernandez, Military Intelligence Commander Col Wilfredo Sanchez, and foreign Minister Carlos Lopez Contreras to a meeting. The meeting began at approximately 1000, and was held amid strict security measures. It ended 1 and 1/2 hours later. The meeting was called following reports from the United States implicating ranking Honduran officers in the illegal sale of weapons to the Nicaraguan Democratic Forces' [FDN] and anti-Sandinist groups.

Although the Press Secretariat of the Presidency did not issue a bulletin on the subjects discussed, Radio America consulted a presidential source, who said the meeting was held to analyze the latest lie originating in the United States, which is aimed at implicating our Armed Forces.

The Army's G-2 commander's presence at the meeting was considered strange by media representatives. It is well known that Col Wilfredo Sanchez is also the liaison between the Nicaraguan contras and the Armed Forces Joint Chiefs of Staff.

President Azcona recently denied any repercussions against Honduras due to the current White House scandal. However, THE MIAMI HERALD, a U.S. daily with a large circulation, reported yesterday that Honduran officers, and specifically Colonel Julio Perez, were in charge of the Logistics in our country's delivery of weapons -- seized during the Lebanese war -- and sent by Israel to the anti-Sandinist rebels.

According to our sources, Azcona and the other participants analyzed the idea of creating an investigating commission to clarify U.S. reports that implicate Honduran officers.

Reportedly the Armed Forces High Command or the Government House, through its Public Relations Office, will issue an official bulletin that will clarify the matters discussed during yesterday's meeting. None of the meeting's participants made statements to the media after the meeting ended; the senior officials hurriedly left the Presidential House through the back door to avoid meeting the press. [end recording]

GOVERNMENT EXPRESSES 'CONCERN' OVER EPS MOVEMENT

PA022350 Panama City ACAN in Spanish 2314 GMT 2 Dec 86

[Excerpt] Tegucigalpa, 2 Dec (ACAN-EFE) -- The Honduran Government today expressed concern over the mobilization of Nicaraguan troops to the border area. The president discussed his concern with Foreign Minister Carlos Lopez Contreras, the Armed Forces High Command, and U.S. Ambassador Everett Briggs at an emergency meeting at the presidential palace.

The foreign minister said Honduras can resort to security agreements with the United States to guarantee its defense but would only do so "if it were necessary," he added.

Lopez Contreras told the press "the Honduran Government is concerned over the gathering of Nicaraugan troops on the other side of the border in the El Paraiso sector," in the eastern region. The diplomat said regional security matters were discussed at the meeting, "and of course the existing agreements between Honduras and the United States."

"It is evident" -- he added -- "that greater social dangers have emerged within the Central American region and the gathering of Nicaraguan troops in the El Paraiso sector has been detected. This places great pressure on the Honduran Government."

Carlos Lopez Contreras said the eastern El Paraiso sector on the border with Nicaragua has not been declared in a state of emergency but that Honduras is prepared for any type of defense action.

The Nicaraguan troops occasionally enter Honduran territory in pursuit of the counterrevolutionaries who are struggling to topple the Managua regime. "There are incursions into Honduran territory, and this is exactly what the Honduran Armed Forces want to be able to prevent," the foreign minister said.

He explained that the presence of U.S. troops is a form of U.S. cooperation and that the security cooperation agreements function at Honduras' request, not automatically. "In other words, it is not enough for an emergency to take place in Central America or Honduras for the U.S. Army to intervene in the country's [Honduras'] favor; this aid would only come in response to a request from the Honduran state."

The foreign minister stressed that Honduras has a very small Army and therefore has to seek alternatives that do not entail the excessive growth of its Armed Forces. [passage omitted]

GOVERNMENT MAY SUSPEND TRADE WITH COSTA RICA

PA022217 Tegucigalpa Television Hondurena in Spanish 0100 GMT 2 Dec 86

[Report by Mario Cales]

[Text] An official of the Economy and Commerce Ministry told "This Very Day" newscast that we are still waiting for Costa Rica to reconsider. [sentence as heard] The Honduran Government will suspend trade relations with Costa Rica if that country does not allow more Honduran products in that market. The Honduran economy and commerce minister will travel to San Jose the day after tomorrow to learn Costa Rica's reply.

[Begin unidentified speaker recording] The Salvadoran [word indistinct] the possibility of improving trade relations. We are going on a mission next week to El Salvador to try to increase that commerce. Regarding Costa Rica, I can tell you that (we are going to discuss) expanding the market for our products since our products are being restricted. This is not fair because Honduras urgently needs to sell its products to Costa Rica.

Therefore, we have asked Costa Rica to allow several products into their market. Otherwise, we would have no alternative but to suspend trade with Costa Rica. [end recording]

Apparently, the flow of trucks along the country's highways will be suspended because the trucks carry products destined for other countries but leave them in Honduras' domestic market without paying the appropriate taxes. It was reported that this system of contraband particularly involves trucks from Panama.

GUATEMALA DISAPPROVES OF REGALADO'S APPOINTMENT

PA031900 Panama City ACAN in Spanish 1521 GMT 2 Dec 86

[illegible] Tegucigalpa, 2 Dec (ACAN-EFE) -- The Honduran Foreign Ministry reported that the Guatemalan Government has rejected the appointment of Colonel Rigoberto Regalado Lara as Honduran ambassador to that country. Regalado Lara is currently serving as military attache in Guatemala, and according to the Honduran Foreign Ministry, "he will remain in that position."

[illegible]ne Lefevre, the current Honduran ambassador to Guatemala, will soon leave that [illegible]. That is why the government chose Regalado Lara, who is already a member of the diplomatic mission in that country.

[illegible]ado Lara, [illegible] is a brother of Honduran [illegible]es Chief General Humberto [illegible] he has served as a commander of artillery and airborne infantry [illegible]

[illegible]

NICARAGUA

HONDURANS JOIN U.S. TROOPS IN BORDER MANEUVERS

PA022258 Managua BARRICADA in Spanish 2 Dec 86 p 5

[Text] Tegucigalpa — It was learned here yesterday that a battery of the 2d Battalion of the 116th Florida National Guard Artillery Brigade, carrying their own 105-mm weapons, has been deployed to an area near the Nicaraguan border where they will hold "joint exercises" with the Honduran Army. The U.S. troops are accompanied by troops of the Honduran 3d Artillery Battalion stationed in Las Mesas, only 50 km from the road to Danli. On Sunday, a 25-vehicle military convoy crossed Danli. The convoy was apparently transporting camouflaged military equipment. The U.S. caravan was accompanied by two U.S. Air Force CH-47 helicopters. The helicopters carried heavy equipment in huge nets.

Yesterday, the local media broadcast statements made by border area residents who are scared of a direct attack against Nicaragua. Yesterday at noon, the Honduran Army said that "it was unaware" of any troop movement and did not mention a military maneuver.

The U.S. Embassy gave the first report of this, creating some concern among the reporters who were told that the "joint exercises would continue through 13 December."

It was learned that the U.S. artillery battery headed for Ojo de Aqua, El Paraiso Department, where the 6th Infantry Battalion is stationed. The U.S. troops will use their own 105-mm cannons, and during their stay in Honduras they will be under the orders of the so-called "Bravo" Task Force stationed in central Honduras.

Even though the exact site of the maneuvers was not disclosed, it is known that they will be held in central Honduras, near the Nicaraguan border.

HUMBERTO ORTEGA NOTES INCREASED CONTRA ACTIONS

PA291505 Managua BARRICADA in Spanish 28 Nov 86 p 5

[Excerpts] The preparations and movements that the Somozist mercenaries are making along the Costa Rican border have been increased to produce confrontations with the Nicaraguan Army. This statement has been made by Army General Humberto Ortega Saavedra.

General Ortega said he is concerned over the fact that the White House's most reactionary sectors are interested in these provocations. He said these sectors are making the current tension in Central America grave, and Reagan's adventuresome activities aimed at invading Nicaragua could become more acute in the next few days.

The defense minister characerized the current situation in the area as "tense and grave." He said he hopes the Central American armies will not join the U.S. Government in its desire to reactivate the so-called Central American Defense Council (Condeca). [passage omitted]

Humberto Ortega said that since October, there have been clashes in the country's south central region, with positive results for the government forces, especially in the past 10 days, when there has been continuous fighting.

Gen Ortega, who is a member of the FSLN National Directorate, said the Nicaraguan people are firm in their resolve, which means the revolution is advancing and is not being suffocated, despite the threats from President Reagan.

Regarding the outlook for a compromise with the U.S. Government, Commander of the Revolution Humberto Ortega said that as long as Reagan refuses to talk with the Nicaraguan Government, the people will continue preparing to defend the country's sovereignty. [passage omitted]

OBANDO BACKS PRISONER SWAP, PARDON FOR HASENFUS

PA270506 San Salvador Canal Doce Television in Spanish 1900 GMT 26 Nov 86

[Interview with Nicaraguan Cardinal Msgr Miguel Obando y Bravo by Marco Antonio Guevara in Managua; no date given -- recorded]

[Text] [Guevara] On the matter of talks between the Nicaraguan church and the Sandinist government, Cardinal Obando y Bravo said the government has made a proposal for an overall plan. However, details of the plan were not known. The two sides have appointed commissions which are studying the possibilities of an understanding.

[Begin recording] [Obando y Bravo] The government has talked to us about an overall plan to seek a modus vivendi or modus operandi. However, at this point the plan has not been fully fleshed out. I feel that the commissions will meet in early December. We hope that during this meeting we would know what the overall plan will consist of.

[Guevara] So far, the church has not hinted or proposed ways to ease tensions.

[Obando y Bravo] The church has insisted on the need to allow the return of Msgr Pablo Antonio Vega, Juigalpa Bishop, and Msgr Bismarck Carballo, episcopal vicar of this curia and director of Radio Catolica. The church has also insisted on the need to reopen Radio Catolica. However, the government has told us that these problems in particular cannot be resolved without an overall plan.

[Guevara] Within the framework of the Eucharistic Congress, did the government make any offer to assist in holding it. Is it true that the church rejected such assistance so as to avoid manipulations?

[Obando y Bravo] The government gave facilities to the visitors. It gave them protocol courtesies. It did not ban their entry into the country . There was, however, one regrettable case involving Father Juan Sifel. He is the director of (Alvenia). Apparently, he was mistaken for someone and not allowed to enter the country from El Salvador. I believe he is currently in Guatemala. However, the other visitors were welcomed with great courtesy.

The government offered to house these guests. We graciously declined the offer because we had everything ready through the Christians and the organizations working on the preparations of the Congress.

[Guevara] Your Eminence, is it true that you asked that U.S. citizen Hasenfus be pardoned?

[Obando y Bravo] I know the law is the law, and that it is hard. However, as a pastor I would like him to receive a pardon or an amnesty. At this moment, I do not know which would be the most appropriate word. This would serve to bring peace and tranquillity to his family and to Mr Hasenfus himself. I would also want a humanization of the war which is making us suffer, or that there could be an exchange of the prisoners held by the contras and the Sandinist government. This exchange would help the prisoners and would bring peace and consolidation to the families of the two parties. [end recording]

[Guevara] Cardinal Obando y Bravo feels that the exchange of Sandinist and contra prisoners and a pardon, or amnesty for U.S. citizen Hasenfus is a humanitarian matter and that the church will be willing to cooperate.

HUMBERTO ORTEGA SPEAKS AT CUBAN PCC CONGRESS

PA011951 Managua Domestic Service in Spanish 1800 GMT 1 Dec 86

[Text] Havana -- Army General Humberto Ortega, Nicaraguan defense minister, participated today as a guest in the deferred session of the Third Congress of the Communist Party of Cuba, PCC. In presenting Ortega, General of the Army Raul Castro, second secretary of the PCC, asked him to speak to the congress on the current Nicaraguan situation. Osvaldo Lacayo, second chief of the EPS high command [title as heard], is also attending today's session.

USSR HIGHER EDUCATION DEPUTY MINISTER ARRIVES

PA281915 Managua BARRICADA in Spanish 25 Nov 86 p 2

[Names and titles as published]

[Text] Artur Nikolayevich Belov, deputy minister of the USSR Ministry of Higher and Secondary Specialized Education, arrived in our country yesterday on occasion of the seventh anniversary of Nicaragua-USSR cooperation in the field of higher education.

Hence, the National Council of Higher Education (CNES), in coordination with the Soviet higher education team, which is accredited here, will carry out "methodological scientific meetings" next Friday at Ruben Dario University.

There will be various lectures on the four areas taught by Soviet professors -- philosophy, economics, sociology, and politics -- as well as on basic and specialized courses, and the methodology and experience obtained from teaching the Russian language in Nicaragua.

The meeting will end with an intensive evaluation and analysis of the main aspects of Soviet cooperation and proposals on that cooperation next Saturday at the CNES.

Maria Elena Lopez, of the CNES Press and Information Office, reported that the USSR deputy minister is accompanied by Vladimir Larisa Miknaylovna, deputy chief of the Directorate of Post-Graduate and Trainee Students [Direccion de Estudiantes Post-graduados y Practicantes]; and Vladimir Ivanovich Kucherenko, organization chief of the Methodology Department of the USSR Ministry of Higher and Secondary Specialized Education 's Foreign Relations Directorate.

MINISTERS SIGN COOPERATION AGREEMENT WITH PERU

PA300237 Managua Domestic Service in Spanish 1800 GMT 29 Nov 86

[Text] Peru will grant technical assistance to Nicaragua in the areas of mining geology and metallurgy according to an agreement signed in Lima by the ministers in charge of these activities in the two countries.

The agreement provides for a Peruvian technical mission to travel shortly to Nicaragua for counseling and identification of mining investment projects as well as the development of feasibility studies on technical, economic, and marketing matters, among others.

The agreement was signed by Ramiro Bermudez, minister-director of Inmineh [Nicaraguan Institute of Mines and Hydrocarbons] and Wilfredo Huayta, Peruvian energy and mines minister. The two officials stressed that the agreement strengthens friendship between the two countries.

ORTEGA GREETS BOUTERSE ON INDEPENDENCE DAY

PA262308 Managua Domestic Service in Spanish 1200 GMT 26 Nov 86

[Text] On the occasion of the 11th anniversary of the independence of the Republic of Suriname, I hereby wish to express on behalf of the FSLN National Directorate, people and Government of Nicaragua, and on my own behalf, our sincere congratulations to the dear Surinamese people; reads part of the message sent yesterday by President Daniel Ortega Saavedra to Companero Desire Bouterse, chief of the Surinamese revolution.

Sandino's people take this opportunity to manifest our recognition of the expressions of solidarity and friendship that have characterized relations between our nations. At the same time, we want to express our best wishes for the happiness and increasing development of this sister nation; concludes the president's message.

PROCEEDINGS OF DEFERRED 3RD CONGRESS CONTINUE

Castro on Material Incentives

FL022215 Havana Tele-Rebelde Network in Spanish 1250 GMT 2 Dec 86

[Remarks made by Cuban president Fidel Castro during 1 December final session of the deferred Third Communist Party of Cuba Congress at Havana's Palace of Conventions -- recorded]

[Text] What I believe is that our people are disciplined people. People are more disciplined when candy is distributed or when they have the illusion of perception that candy is being distributed. Money was being distributed everywhere. [as heard] We really went from one extreme to another, from a complete rejection of material incentives -- we had this problem at one time -- to a fetishism with money. There was a belief that all problems could be solved with money. There was also a belief that mechanisms could solve problems. This was another false belief. There was also the belief that in a socialist society problems could be solved with mechanisms. The political work was neglected. We began to experience a number of negative tendencies. I believe that our party, the people who compose the political vanguard of our country, militants and party cadres, are undoubtedly being chosen among this country's best citizens.

What concerned me the most when I became fully aware of all these tendencies was that they could corrupt the party. But fortunately the party is [word indistinct] they could also corrupt the working class. Fortunately, the working class is far from being corrupted. [Words indistinct]...could have devastating consequences. [words indistinct] What the revolution has done is evidence of that.

Problems are not solved by making concessions, going backwards, and inventing capitalist mechanisms. I am certain that socialism is not built with capitalist mechanisms or with any other kind of mechanisms. Mechanisms are tools for building socialism as I said here recently during the journalists meeting. It is above all a political and revolutionary task. I see mechanisms as tools to build socialism. Socialism is not based on any mechanism or any blind law as capitalism is.

I mentioned some examples about how we have been playing with mechanisms, premium payments, and other many things and see the consequences we have had. I believe we need to continue using these mechanisms. I have said before that we are not going to commit the idealistic mistakes we have made in the past.

In the area of material production we have no other choice than to pay wages conmensurate to work [vinculacion]. Socialism is not only concerned with material production but also with the area of for example services or education. Could any of you imagine that we could solve these very complex educational problems we have been discussing about with economic incentives and mechanisms?

I ask myself if our country's public health problem could be solved with economic measures. If we could begin to pay according to the number of patients physicians see each day or by the number of surgeries surgeons perform.

I ask myself and ask you that after the discussions we have had on education, if there is a formula that will solve the problems of education, which are so important, decisive, fundamental, in a way other than with political and revolutionary work. Does everything we have discussed here have a solution?

I ask if the problems experienced by hospitals, health service centers, and everything we want to do related to that field could be solved with economic mechanisms, economic estimates, economic incentives, payment according to work, and things of that sort, we could end up understanding what socialist ideology is and how socialism is built. I believe that those who think that socialism can be built only with economic mechanisms and economic estimates are making a terrible ideologic mistake even if they knew by heart Karl Marx's entire three or four volumes of "Das Kapital." there is no doubt about that, I do not have the slightest doubt about that. Of course, we should consider these mechanisms as tools of [words indistinct].

It would not make sense to pay -- we did it once -- port workers the same whether they handle 10 or 3 tons [of cargo]. We cannot pay a tractor operator the same way. That is the reality, we do not have that kind of operator, we have not created a position like that one where he is paid the same for plowing one or seven [?hectares].

We never did that with canecutters even during the worst idealistic times. We never paid canecutters a set salary because what would happen is just what Raul mentioned: People would come down from the mountains to cut cane. That is a reality.

I believe that a new man, a socialist, communist man has to be created. If we focus too much on material incentives we are never going to shape a communist man. If we do not develop a fraternal and solidarity spirit in men we will never shape communist men. [words indistinct]

When he referred to real salary, he is pointing out one of the characteristics of socialism which is to distribute fairly. It is to take care of the needs of all children regrdless of the fact that his father works more or less, earns more or less. We have to take care of all who are ill regardless of the fact that their father earns more or less [repeats himself] capitalism mainly depends on all those incomes. That is what socialism and communism is about.

It has been proven and history has proven that in the area of material production we cannot make the mistake -- we already made it -- on equality of compensation. I believe that we even have to look deepeer into what communism is because the founders of Marxism could not finish developing their ideas. I believe they did not aspire to develop all of them, I believe they left room for other men to make their small or modest contribution to the ideals of socialism and communism. But in the program of controlled goods [programa de gotas] there are full warehouses and people help themselves thinking resources are plentiful. I explained during the UPEC [Union of Cuban Journalists congress] that in socialism not everything can be based on the theory of plentiful resources. It also requires an awareness to distribute the available goods.

In Marx' times current problems were not present. Natural resource shortages such as minerals and oil did not exist. Pollution and many other problems did not exist. So socialism and communism cannot be built in today's world without developing a combination of material and awareness.

Because socialism and communism cannot be based on the concept of abundance of resources, it does not reflect reality.

I am completely convinced that the development of awareness, education, revolutionary political work, is more and more important in today's world. We are fortunate to have the party.

Well, when the revolution triumphed we did not have the party, the party did not exist. The party was created during a long period of time. It first had 10,000 and later 20,000 members. It would eventually have 100,000 members. It is true that our members were selected very well. There was a party and a leadership. A leadership was not [words indistinct] but now is when we really have a party. Now is when we have a party [repeats himself]. It is a large party, and experienced one. This has been made evident during the debates and presentations made by the comrades who are dealing directly with the problems.

Raul Castro Parade Speech

FL021713 Havana Tele-Rebelde Network in Spanish 1415 GMT 2 Dec 86

[Speech by Army General Raul Castro, second secretary of the Communist Party of Cuba Central Committee and minister of the FAR, at the beginning of a military parade to work the 30th anniversary of the landing of the Granma and the day of the FAR, from Havana's Revolution Square -- live]

[Text] Comrade Commander in Chief Fidel Castro, distinguished guests, comrades participating in the military parade, compatriots:

Today we observed the 30th anniversary of the Granma landing. All those of us who have lived these past 30 years of the history of our fatherland are very happy and feel reaffirmed in our faith in the future to be able to commemorate this date with the existence of a party led by Comrade Fidel and prepared to confront any ordeal with a consolidated revolution, with a people forged in the struggle and the supreme protagonist of all their feats.

Three decades ago, a detachment of 82 men embarked on the Granma, fully convinced of victory in their fight against an army which, equipped and trained by the U.S. government, shored up a hateful tyranny. They were ready to give their lives in this endeavor to initiate the last stage of the struggle for definitive national liberation.

On 2 December 1956, the rebel army was born, the soul of the revolution, in the words of the commander in chief. From its victorious arms, the new fatherland emerged free, beautiful, powerful, and invincible. The revolutionary armed forces, the successor of that guerrilla army, are today marking the day of the FAR. All our people have closed ranks with them, joining both the regular forces and the reserves, the territorial troops militia, the brigades of production and defense, the combative and special units, and other embattled forces. The members of the Interior Ministry also participate in defense tasks. We can see with profound and legitimate joy how on arriving at this 30th anniversary, the 82 Granma expeditionaries have grown, with millions of men and women, permanently alert, already to defend their accomplishments and future at whatever the cost.

That is why 2 December is not just the day of the FAR; it is also the day of all our combative people. From this historic square, we salute these people and congratulate them in the name of the party Central Committee and that of the commander in chief.

The long road traversed from the dawn of this struggle has been one of effort and constant striving, but the results of these sacrifices are beyond expectation. In a few days, on 18 December, we will also have the 30th anniversary of the date when, after landing and facing the harassment and persecution of an enemy that used its power with fury, we again met with the leader of the revolution in a place at the foot of the Sierra Maestra called Cinco Palmas. We were only a handful of fighters and our entire arms stock consisted of seven rifles. Fidel, with infinite confidence in victory, said: Now we will really win the war.

Today, in the territory that was the scene of these events alone, the first seven rifles have multiplied by 100,000. I am certain that I am not revealing any military secrets, but this example best illustrates how our capacity to defend the work of the revolution has grown. If the enemy attempts to occupy our fatherland, it will have to face the fire of 700,000 rifles, to name only the ones possessed by the Eastern Army, which, in any case, is not the most powerful of the three armies of general troops that the fatherland can count on for its defense.

Comrades, the celebrations of this anniversary are a good setting for reminiscing, but it is enough to recall that when imperialist hostility menifested itself, the rebel army, in indissoluble alliance with its people, guaranteed national sovereignty and the continuity of the radical revolutionary process that was initiated with the seizure of power in 1959. Furthermore, as our commander in chief said in his report to the first party congress, when the revolutionary forces were not yet fully integrated nor was the party, which was founded later, the rebel army was a factor for cohesion and unity among the people and guaranteed the power of the workers.

The decision to build socialism for the first time in this continent brought a great danger, a life or death battle, for the very survival of the revolution whose destiny was guaranteed when the people joined the armed defense of their achievements. The national revolutionary militias were created, made up of laborers, peasants, workers, intellectuals, and students.

This way, rebel militias and combatants, forged in the fight against scoundrels and in the victorious battles of Playa Giron, turned into reality the Leninist principle that a revolution is only worth anything if it is capable of defending itself. The FAR were formed, a genuine popular army of a new type. Its feats, one after another, were pages in the epic of a whole people and the very history of the revolution. It repulsed the first onslaughts of the enemy; five years of ceaseless fighting to annihilate the last of the 179 counterrevolutionary gangs that in some instances operated all over the country. The first military defeat of imperialism in Latim America was inflicted in the beaches of Playa Giron, only hours after the socialist nature of the revolution was proclaimed.

There were multiple mobilizations when there were threats. There was the serene and unbreakable determination of a whole people during the so-called October crisis of 1962 to sink the whole island in the Caribbean Sea before allowing the return of capitalism to our fatherland. There was also cooperation in the nation's development and internationalist support for other nations, with missions accomplished by hundreds of thousands of Cubans in Angola and Ethiopia. This, broadly speaking, is the glorious service record of the glorious FAR.

The objective of creating powerful and modern armed forces motivated by the demands of contemporary warfare and by the circumstances in which Cuban socialism is built, is now a reality. Our party and government, and especially Comrade Fidel, have given particular attention to this decisive effort. The parade commencing in a few minutes will show the level achieved of some components of our defense, characterized by their high degree of mechanization, power, and high maneuverability.

Of course, to us, then and now, the most valuable and determining factor are the men and women who make up the FAR, who are honorably represented in this military parade.

In the context of the reflections that this anniversary gives rise to, we recall with profound gratitude the solidarity of the party, government, and brother Soviet people and their glorious armed forces which for a quarter of a century, from Playa Giron until today, have supplied us with the necessary arms and techniques for our defense, aside from sharing with us their valuable military expertise.

The ties that bind the FAR and the Soviet Armed Forces stem from identical principles shared by our two Communist Parties. These ties are their true reflection and, the same as this identification of principles, have become consolidated in the course of the years and become more solid each day. These ties will never weaken or break, not yesterday, today, or ever. [applause]

On the 30th anniversary of the FAR, allow me to greet from this stand a beloved Soviet delegation accompanying us in a celebration that is also theirs. This delegation is made up of high-ranking officers who for the past 25 years have successively held the position of principal military adviser to the FAR. [applause] They represent the sons of the Soviet people whose experience and generous solidarity have helped train our armed forces. In them we honor their exemplary internationalism and combative fraternity. The Soviet Union, which is the main bulwark against imperialist aggression on an international scale, is also, because of its power and consistent policies, the vanguard force in the struggle for world peace, as exemplified by the reiterated disarmament peoposals formulated by CPSU General Secretary Mikhail Gorbachev. The very destiny of mankind is being decided in this struggle. Our party supports it without reservation.

Comrades, since it came to power, the present American Administration has posed serious danger to our country. Proclaiming an open crusade against socialism, it stepped up its threats of military aggression, reinforced the criminal economic blockade, and intensified its hostility against Cuba.

In the military sphere, the constant hostility toward our country, maintained since the triumph of the revolution, has grown, with specific measures such as increased reconnaissance flights and improved and powerful military forces through the so-called Caribbean command, located exactly 90 miles from our shores in Key West. This force, without having to prepare beforehand, is capable of unleashing a large-scale attack on our country.

The present U.S. Government has not only practiced this imperial policy of disregard for the most elementary rights and aspirations of nations, against Cuba. In our same geographic area, Nicaragua is resisting with exemplary determination the criminal imperialist aggression. We salute dear brother Humberto Ortega, Army general and minister of defense of the glorious people of Sandino, as the representative of the heroic Central American nation which, under the leadership of the FSLN, is acting patriotically and courageously in defense of its national sovereignty and independence. [appaluse]

At a time when the imperialist government's credibility is crumbling as a result of revelations of muddy maneuverings dealing with the political scandal generated by the sale of arms to Iran, which stresses the lack of ethics and hypocritical essence of its policy, the stature of the small country under attack, which is fighting back confident of final victory, grows in the eyes of international public opinion. Our best message of solidarity and confidence in that victory is ours on this solemn anniversary, and best expressed by the popular song: Nicaragua will follow its path in glory, because it was wise blood, the one that wrote its history. [prolonged applause]

For Cuba, the magnitude of the U.S. threat in recent years, far from frightening us, has driven us to strenthening the defense. Under the party guidance and with the incorporation of determined masses, the conditions have been created to repulse and annihilate any type of aggression, even under a situation in which part of the national territory is temporarily occupied. The best demonstration of that process, for which we are infinitely more powerful, has been the application of all the people's war concepts that are part of our present military doctrine, whose objective is to achieve victory over the enemy at any price and whose essence falls in the participation of all society's forces to repulse foreign aggression over whatever time it becomes necessary and under the sole leadership of Cuba's Communist Party.

In fulfillment of the orders of the first secretary of our party and commander in chief of the FAR, we have prepared ourselves. The country's defense capabilities have been multiplied and, in short, a gigantic beehive of people, irresistible for the enemy, has been created. In the case of a military aggression, all Cuban citizens, all patriots, will have a means, a place, and a way to participate in the struggle and ascertain the defeat of the invaders in the end.

All this gigantic effort is based on the principle established by our Central Committee that, for us, to avoid war is the same as winning it, but in winning in this manner -- that is, avoiding it -- it is necessary to invest numerous human and economic resources and the daily sacrifice contributed by all our people in joining the territorial troop militias, giving one Sunday every month to the defense, performing countless hours of voluntary work in fortifications and other similar tasks.

Coinciding with National Defense Day and the 90th anniversary of the fall in combat of Lieutenant General Antonio Maceo, the "Bastion-86" strategic military maneuvers will begin next 7 December. Participating in these maneuvers, directly or indirectly, will be more than 7 million Cubans, without regard to sex or age, in addition to all central state bodies, mass organizations, and other institutions under the leadership of the party at all levels.

These strategic exercises, the biggest we have ever conducted, will be a superior form of preparation for waging all the people's war. Furthermore, like this military parade, it will be an eloquent evidence of the combative capability we have gained to resist, fight, and win, following the example set by the Mambi army, the combatants of the Moncada barracks, the members of the Granma expeditionary force and rebel army, of whose glorious traditions we will continue to be worthy.

It will equally be an exceptional tribute to all our working people and the third party congress, scheduled to end today, and the best proof that the fulfillment of the program adopted in this historic meeting of the Cuban Communists will be defended by a shield of armed people, led by its vanguard party and headed by its Commander in Chief Fidel Castro Ruz, against whom any attempt by the enemy will always crash. [prolonged applause]

Dear combating people: I congratulate you on the occasion of the 30th anniversary of the Granma landing!

Long live the indestructible friendship between Cuba and the Soviet Union!

Long live the Communist Party of Cuba!

Long live our commander in chief!

Long live free Cuba! [followed by shouts of "viva" by the troops]

Fatherland or death, we shall win! [followed by shouts and prolonged applause]

Castros Bestow Medals

FL030218 Havana Television Cubana Network in Spanish 1800 GMT 2 Dec 86

[Text] Following the parade [commemorating the landing of the Granma and FAR day], a ceremony was held at the foot of the monument of our national hero Jose Marti during which Commander in Chief Fidel Castro Ruz and Army General Raul Castro Ruz presented th Ernesto "Che" Guevara Order, First Degree, and the Internationalist Combatant Medal granted posthumously by the Council of State to Brigadier General Raul Diaz Arguellez because of the revolutionary merits this combatant showed during internationalist missions assigned by our revolution.

During the event, the 30th FAR anniversary medal was also bestowed to an outstanding group which composed the Cuban Internationalist Brigade that cooperated in the 1936 anti-fascist struggle in Spain. The medal is granted in honor of the 50th anniversary of the creation of internationalist brigades and also constitutes an acknowledgement to these Internationalists who later continued cooperating with our FAR and our socialist revolution.

HAVANA RADIO SCORES U.S. VIOLATIONS OF SALT II

PA020450 Havana International Service in Spanish 0000 GMT 2 Dec 86

["Viewpoint" commentary read by Angel Hernandez: "Ronald Reagan's Government Has Violated the SALT II Treaty"]

[Text] The Strategic Arms Limitation Treaties (SALT), drafted by the Soviet Union and the United States, represented an important contribution to reduce the arms race and precluded the possibility of a nuclear conflict in the seventies. The two parties signed SALT I on May 1972, to freeze the existing number of strategic nuclear reactors [as heard] and the Antimissile Defense Agreement, in which the two parties pledged to limit the system to one site per country. This last document was aimed at creating a mutual vulnerability so that this condition would not encourage another generation of atomic weapons. The destructive power accumulated so far and the possibility of retaliating in case of an eventual atomic attack should deter the search for more sophisticated weapons.

SALT II was signed in 1979 following lengthy negotiations. Its main characteristic was the reduction of strategic atomic carriers, with land, submarine, or air installations [emplazamientos], limiting them to 1,350 for both parties. Thus, the road lay open for new negotiations, which would be more profitable for mankind. Uncertainty arose in the U.S. military-industrial complex, and the pressure springs began to tense. Former President James Carter used the Soviet internationalist support to the Afghan revolution as pretext to stop the Congress' approval of SALT II in 1980, even though the Senate's Foreign Relations Committee considered the agreement valid and just. Nevertheless, Washington said that the document's clauses would be respected.

The Reagan era has brought other fatal perspectives. A team whose doctrine considers detente as the death of the imperialist system could not remain tied for a long time to agreements which forestalled its goals. Reagan announced on 27 May that he would violate the SALT II treaty, and the threat was carried out a few hours ago when a B-52 bomber was armed with cruise missiles; this definitely breaks the limit of nuclear carriers agreed to in 1979. The official U.S. decision is grave and represents a threat for all nations' interests. It has taken place at a time when the Soviet Union has carried out highly important peace initiatives which led to the summit meeting and negotiations in Reykjavik. These were miscounstrued by Reagan, himself, with the intention of deceiving Western public opinion. Nevertheless, the initiatives received important international support.

Analysts believe that even though the military-industrial complex is thoroughly enjoying this irrational decision, the White House will not face an easy situation -- particularly at a time when the executive branch has been caught red-handed when it violated the legislation banning sales of weapons to Iran.

Reagan now has a credibility of zero, so it is difficult for many U.S. citizens and a sizable number of U.S. allies to understand the alleged benefits that the violations of SALT II might have for the West.

HAVANA REPORTS U.S. TROOP MOVEMENTS IN HONDURAS

PA011932 Havana International Service in Spanish 1800 GMT 1 Dec 86

[Text] Yesterday, an indeterminate number of U.S. soldiers began a mobilization near the border with Nicaragua in the eastern Honduran department of El Paraiso, press correspondents reported from Tegucigalpa.

The military convoy included 25 jeeps and military trucks which passed through the Honduran city of Danli. According to the sources, the destination of the contingent is still unknown.

Similarly, two U.S. Air Force planes were seen overflying El Paraiso Department.

Peasants in that area have repeatedly reported the presence of Nicaraguan counterrevolutionaries in El Paraiso and other areas near the border with Nicaragua.

U.S. FORCES, CONTRAS 'REAL INVADERS' OF HONDURAS

PA281700 Havana International Service in Spanish 2300 GMT 27 Nov 86

["What the Press Has To Say" feature by Maruja Garcia and Norberto Hernandez]

[Text] [Garcia] The topic of an alleged infiltration of Honduras by Sandinist soldiers has been extensively manipulated by the Western news agencies. The newspaper GRANMA, the official organ of the Central Committee of the Communist Party of Cuba, has published an interesting article addressing this subject by journalist Juan Marrero.

[Hernandez] In his usual section, "Period, New Paragraph," which is very popular with the Cuban public, Marrero refers to the statements of Honduran President Jose Azcona, wh says his country will repel anyone who invades it. Such a statement coincides with a new uproar by the White House, the Central Intelligence Agency, and the capitalist new agencies about thousands of Sandinist soldiers reportedly entering Honduran territory in the last few days.

[Garcia] Marrero stresses that this is not the first time such lies are used by the enemies of Nicaragua. We must recall that in March it was said that 1,500 Sandinist soldiers had invaded Nicaragua. All of this was just a hoax.

[Hernandez] One does not have to look for the invaders of Honduras on the border with Nicaragua, Marrero states, adding that for several years they have been inside Honduras, and neither President Azcona nor the high-ranking Honduran military chiefs have complained about them.

The invaders are, first of all, the several thousand U.S. Armed Forces soldiers and officers and CIA agents, who have turned Honduras into a real aircraft carrier for a possible aggression against Nicaragua.

[Garcia] The military operations center of the U.S. Forces in Honduras is in Palmerola, which presently houses 2,000 officers and soldiers, and one air intelligence unit. At a cost of $13 million, the United States built an 8,000 meter runway that can be used by any U.S. Air Force combat and cargo airplane.

[Hernandez] However, it is not the only Yankee base in Honduran territory; near the town of La Ceiba, on the northern coast, the $8-million (Goroson) runway was inaugurated in July. it also permits landing and take-off of most of the U.S. war planes.

[Garcia] Journalist Marrero adds that another important base is that of El Aguacate, built in 1983 and located 120 km from the Nicaraguan border. It has a 7,000 meter runway, and has become the main CIA operations center.

[Hernandez] The most important shipments for the Nicaraguan counterrevolutionary bands are sent through this base, where the main leaders receive training and instructions. The only invaders of Honduras — the U.S. Army and the Somozist mercenaries -- are in those bases, which are not the only ones, although they are the most important.

[Garcia] GRAMNA stresses that, at the time of the triumph of the Sandinist people's revolution in 1979, approximately 10,000 members of the National Guard of dictator Somoza fled Nicaragua and settled in Honduras. That was a true invasion, and neither the Honduran rulers nor the United States prevented it nor created a propaganda hullabaloo about it. On the contrary, they encouraged and increased it with the obvious objective of destabilizing Nicaragua.

[Hernandez] It is estimated that there are currently about 15,000 Nicaraguan counterrevolutionaries occupying nearly 2,500 square km of Honduran territory. They not only militarily train there or use it as rearguard for their criminal incursions into Nicaraguan territory, but they also rape Honduran women and steal the land, livestock, and crops from the Honduran peasants.

[Garcia] The GRANMA article concludes by stating that everything shows that the invaders of Honduras are inside that country and that the reports about alleged infiltrations by Nicaraguan troops from a part of a campaign to discredit the Sandinist government. If Azcona wants to repel anyone who invades his territory, Marrero concludes, he sould do so by throwing the Yankees and the counterrevolutionaires out of Honduras.

DUARTE ACCUSED OF DIVERTING QUAKE AID TO ARMY

PA300354 Havana International Service in Spanish 2300 GMT 29 Nov 86

["Our America" commentary, read by Norberto Hernandez]

[Text] During the past weeks, Jose Napoleon Duarte, head of the Salvadoran regime, has tried unsuccessfully to counter the strong criticism over the diversion of international aid for the earthquake victims in San Salvador.

The earthquake occurred on 10 October. Making use of his ill-fated histrionic talent, Duarte spoke at the UN General Assembly recently about his country's need for further assistance because of the earthquake. Although he affirmed that these contributions would be received by thousands of Salvadoran victims, Duarte could not dispel from the minds of his listeners the numerous reports saying that donated food and money have ended up in the Armed Forces and government agencies.

The Salvadoran people, who saw their adobe, cardboard, or zince-sheet homes collapse, still await the international aid of which they have been deprived. A sizable portion of the foreign aid serves to support the Army's counterinsurgency plan, thanks to the approval of Duarte himself, although he asserts the opposite in so prestigious a forum as the United Nations.

The National Union of Salvadoran Workers was forced to create committees of earthquake victims, who organize demonstrations to protest the misuse of foreign aid for the genocidal war. In truth, the Christian Democrat regime, the military High Command, and the powerful U.S. Embassy in San Salvador overlook the local crisis aggravated by the earthquake. The tremors damaged homes, small industries, machinery, energy and water networks, and the few hospitals and schools in the capital. The victims have even built makeshift homes with discarded materials on land owned by millionaires. They will be evicted any moment as the result of these owners' indifference and arrogance. Thousands are homeless and jobless now that the already heavy economic and social load of an undeveloped country has been aggravated. The country is a victim of the U.S. political and military intervention.

The White House gives a considerable quantity of war materiel to El Salvador, but delivers litte assistance in the form of consumer goods for the population. Removed from their fellow Salvadorans' dramatic situation, the Army took strategic positions to repress popular demonstrations. This role, according to Duarte, is considerably removed from that assigned to the military. In view of this reality, Duarte's pledges of assistance prove to be entirely inconsistent.

Pressured by the United States, the Christian Democrat regime advocates military solutions for the problem of the guerrillas, thereby sidestepping the Salvadoran people's tragedy and irresponsibly disregarding the FMLN's serious proposals for dialogue.

ARIAS CRITICIZED ON HANDLING OF NICARAGUA POLICY

PA022119 Havana International Service in Spanish 0000 GMT 2 Dec 86

["Our America" commentary, read by Norberto Hernandez]

[Text] When Costa Ricans elected President Oscar Arias they may have done so in part because they felt the need to keep the country free of commitments to Washington's interventionist policy in Central America.

Many citizens may have believed in good faith the words of Arias as a candiate about the need to maintain Costa Rican neutrality at all cost. Moreover, they may have breathed a sigh of relief when there was some revival in San Jose of the diplomatic efforts seeking peace in a conflict-ridden geographical area.

However, time has put the words and the softening measures in these political matters on trial. Reality prevailed, and demagogy yielded to unadorned submissiveness. This definitive change in the government began a few weeks ago. Everybody should remember Oscar Arias' remarks following the recent talks with representatives from the Yankee foreign policy sent to San Jose. The president said on that occasion that war in Central America was merely a matter of time. The option for the stronger side guided Arias. Following the alleged alarm, there was gossip with Honduras and a rapid slide toward an anti-Nicaraguan position and total support of Washington's aggressive plans against the Sandinist revolution.

Together with his Honduran counterpart Jose Azcona, President Arias recently decided to abandon the Contadora Group and sabotage this peace effort until, he said, the Sandinists prove their support to democracy, which in plain words means until Managua puts aside its dignity and kneels before Reagan.

All this was done with the presence in Costa Rican territory of hundreds of U.S. soldiers -- whom the official media purposely ignore -- and the opening of Puerto Limon to the U.S. warship harassing Nicaragua.

In exchange for dollars, which will arrive in the form of apparent economic aid, Oscar Arias now seeks to create a new support group to the Contadora Group efforts, parallel to the existing group integrated by Argentina, Uruguay, and Peru. [as heard] Suspiciously, the members of this new support group, intended to be a monster to cause discord, will be appointed during a meeting between Reagan and Arias on 4 December during Arias's visit to the United States.

When Costa Rican Foreign Minister Madrigal Nieto revealed this presidential intiative, many people must have been amazed, particularly because he added that this plan responds to the Costa Rican desire to get other nations committed to the struggle for peace and democracy in Central America.

It would not be surprising if on 4 December among the candidates proposed by the very democratic Oscar Arias were included the names of not less prominent men like Augusto Pinochet, Henry Namphy, of Alfredo Stroessner, regarded by Washington as true examples of respect for Western and Christian values.

GUATEMALAN STUDENTS PROTEST 'GENOCIDAL ACTIONS'

PA281404 Havana International Service in Spanish 2300 GMT 27 Nov 86

[Report by Jose Diaz in San Jose, Costa Rica]

[Text] The Guatemalan Association of University Students, AEU, has demanded that the government stop the genocidal actions against civilians and the repressive actions against the people's movement. It also accused the government of deceiving the Guatemalan people and the international community with the alleged policy of active neutrality.

In a paid advertisement in the Guatemalan press, the AEU -- the national organization of university students -- demanded that the Vinicio Cerezo government practice the principle of nonintervention, since it has been found that the Guatemalan Government is participating in the plans to destabilize the Nicaraguan people.

In another part of the communique addressed to the national and international community, the AEU stated that the repressive and intimidatory actions against the Mutual Support Group, GAM, show that the government does not have the least respect for the people's organizations. It also demanded the creation of a multisectorial commission to investigate the cases of missing persons, because the government's refusal to do so demonstrates its complicity with the disappearance and kidnapping of thousands of Guetemalans. This is also demonstrated by its refusal to repeal the decree granting amnesty for the assassins of the Guatemalan people.

The AEU also accused the government of maintaining intact the repressive forces that continue to commit genocidal actions against the civilian population, such as the constant bombings in Quiche, Suchitepequez, Solola, and Peten.

SALVADORAN GROUP DEMANDS AMNESTY FOR PRISONERS

PA280328 Havana International Service in Spanish 2300 GMT 27 Nov 86

[Text] The Msgr Oscar Arnulfo Romero Committee of Mothers and Relatives of Political Prisoners, Missing, and Murdered People in El Salvador has demanded amnesty for political prisoners. The committee said that the freedom granted to some disabled prisoners by the Salvadoran regime is only President Duarte's maneuver to improve his image in the international public opinion. After noting that the disabled prisoners had been captured by the Army while they were under Red Cross protection, the committee asked San Salvador's Archbishop Arturo Rivera y Damas to protect the prisoners until they have left the country.

In Washington a group of U.S. lawyers, who recently visited El Salvador, said that political prisoners underwent numerous tortures, among them were burns, electric shocks, simulated executions, and rape.

CASTRO MESSAGE CONGRATULATES LAO PARTY LEADER

BK290422 Vientiane Domestic Service in Lao 0000 GMT 29 Nov 86

[Text] Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee, recently received a greetings message from Comrade Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee. The message reads:

I have learned with great pleasure and revolutionary joy about the success of the Fourth LPRP Congress in which you were reelected general secretary of the party Central Committee. On this occasion, on behalf of our party and the Cuban people, I would like to extend warm and fraternal congratulations to you.

Under the correct leadership and the creative application of the various general principles of Marxism-Leninism to the true situation of the Lao people of all ethnic minorities, the LPRP won historical victories in the struggle against the French colonialists, the Japanese militarists, and the U.S. imperialists. At present, it has recorded successes in building and defending the socialist fatherland. In this constant and continuous revolutionary struggle, the Lao, Vietnamese, and Cambodian nations and their parties -- reliable mainstays ensuring all the victories they have won -- have always maintained special militant solidarity and, from this solidarity, the LPRP has become a strong fortress.

On this happy occasion, beloved Comrade Kaysone Phomvihan, I wish you good health and new success in carrying out the tasks outlined by the fourth party congress. At the same time, I hope that the fraternal friendship relations existing between our two peoples, parties, and states will last forever.

RISQUET MEETS KOREAN WORKERS PARTY DELEGATION

FL291430 Havana Radio Progreso Network in Spanish 1200 GMT 29 Nov 86

[Text] A high-level Korean Workers Party [KWP] delegation, presided over by Hwang Chang-yop, member of the KWP Secretariat, has arrived in Cuba on an official and friendly visit. Jorge Risquet, member of our party's Politburo and Secretariat, met the distinguished visitor.

HUNGARY SIGNS SCIENTIFIC COOPERATION PROTOCOL

FL290150 Havana Television Service in Spanish 0100 29 Nov 86

[Text] The working session of the sub-commission for scientific and technical cooperation between Cuba and the Hungarian People's Republic have ended with the signing of a final protocol. A data processing permanent group was created and cooperaion plans between similar organizations of the two countries were ratified.

The talks included the analysis of Cuba's Accelerated Science and Technology Development Plan and training of Cuban staff in the area of nuclear energy. Representatives of the two sides believe scientific and technical cooperation relations between Cuba and Hungary have entered a higher quality development phase that will greatly benefit the two countries.

FIDEL CASTRO MEETS EUROPEAN PARLIAMENT DELEGATES

FL291700 Havana Radio Reloj Network in Spanish 1500 GMT 29 Nov 86

[Text] Commander in Chief Fidel Castro, president of the Council of State and Ministers, has met with the European Parliament delegation, which is visiting our country at the invitation of the National Assembly of the Peoples' Government [ANPP].

The group of parliamentarians is composed of eight deputies from different European parties and countries and is headed by Alfred (Loma), president of the permanent delegation of the European Parliament for relations with Central America and the Contadora Group countries.

During the meeting, they discussed the international political situation, especially the Central American crisis. Also representing Cuba was Flavio Bravo, president of the ANPP, Ramon (Pez) Ferro, chief of the ANPP International Relations Department, and other officials.

BRIEFS

AMBASSADORS PRESENT CREDENTIALS -- This afternoon, Comrade Juan Almeida Bosque, vice president of the Council of State, received during a solemn meeting Mr Zhanyong Ming who presented his credentials as PRC ambassador. Comrade Isidoro Malmierca, Cuban foreign minister, attended the ceremony. Mr Humphrey Mulemba also presented his credentials as ambassador from the Republic of Zambia. After the ceremony, the ambassador and the delegation accompanying him placed a floral wreath at the foot of Jose Marti Monument at the Revolutionary Square. Likewise, Mr Willie Berriest presented his credentials as ambassador to Cuba from the Kingdom of Belgium. [Text] [Havana Television Service in Spanish 0100 GMT 25 Nov 86 FL]

AMBASSADOR TO SYRIA APPOINTED -- The Cuban Council of State has appointed Jesus Barreiro Gonzalez as extraordinary and plenipotentiary ambassador to the Syrian Arab Republic. [Excerpt] [Havana International Service in Spanish 1600 GMT 29 Nov PA]

GRENADA

BLAIZE CALLS FOR RSS PARAMILITARY ASSISTANCE

FL022150 Bridgetown CANA in English 2111 GMT 2 Dec 86

[Text] St Georges, Grenada, Dec 2, CANA -- Grenada said today it had sought paramilitary assistance from its neighbours in the eastern Caribbean because of a worsening law and order situation here and the possibility of trouble as the Maurice Bishop murder trial nears its end.

The trial is just one thing that is taking place in Grenada, Prime Minister Herbert Blaize told the CARIBBEAN NEWS AGENCY (CANA) as the case in which 18 former government and military officials are charged entered its final stages.

Several things have been going on here. People have been hearing gun shots all over the place, there were armed robberies and people being ambushed and things of the sort and we think it was necessary to improve...our security system.

We don't have to wait until things break out.

Blaize's comments came as the first party of about 10 paramilitary police was leaving St Lucia for peace-keeping duties here under the terms of a memorandum of understanding signed by Barbados and members of the organisation of East Caribbean States (OECS).

The Grenada leader said he had appealed to all members of the region [words indistinct] (RSS) except Barbados, because that island's Prime Minister and Minister of Defence Errol Barrow was abroad. All had responded he said.

Informed sources here said earlier that Blaize had requested reinforcements from fellow members of the RSS to meet any trouble that might be caused by sympathisers of the 18 defendants on trial for the murder of Prime Minister Bishop three years ago.

The sources reported that paramilitary units from a number of other members of the RSS would join the St Lucian contingent.

The accused include former Bishop Deputy Bernard Coard, former Army Commander Hudson Austin, and most of the hierarchy of the Peoples Revolutionary Army, formed after the 1979 takeover by the leftwing New Jewel Movement, but disbanded after the collapse of the revolution in 1983.

The trial neared its end this week as acting Chief Justice Dennis Byron began summing up in the case. But Blaize said that in addition to this, it was felt that Grenada needed to "upgrade our security because it has been taking some time."

"We have people being trained, but we want some people who are experienced to be alongside of them...we made the request and they are coming in to give us the assistance that we asked," Blaize told CANA.

This is the second time in three years that security forces from the Caribbean are moving into Grenada. A token force from the Eastern Caribbean landed on the island behind American troops in October 1983 after a military coup in which Prime Minister Bishop, most of his cabinet colleagues, and close to 100 civilians were killed.

Caribbean forces remained until just after 1984 general elections returned a three-party coalition, led by Blaize.

JAMAICA

SEAGA PROMISES FIGHT WITH IMF ON PROGRAM

FL011814 Bridgetown CANA in English 1447 GMT 1 Dec 86

[Text] Kingston, Jamaica, Dec 1, CANA -- Jamaica Prime Minister Edward Seaga is heading for Washington this week for a continuation of thorny talks with the International Monetary Fund (IMF) on a support programme for his wavering economy, but is insisting [words indistinct] agreement only on our terms.

The Seaga government, which has been in and out of IMF programmes since coming to power in 1980, derailed the last agreement with an April budget that called for expanded government spending after three years of harsh austerity that severely dented the prime minister's popularity. Since then government officials have been negotiating with the fund with the main stumbling bloc being the IMF insistence of immediate currency devaluations.

Seaga, speaking last night at the closing of the annual conference of his Jamaica Labour Party (JLP), said there was a major breakthrough during his last negotiations in Washington with the fund a fortnight ago, but he was sceptical it could hold. ...Everytime you take a step forward, when you go back to talk to them they take you a step backward and make you start from scratch again, Seaga declared. However, if the negotiations started at the point where he left them last time, Seaga said, on this occasion we may be able to report that we have been successfully able to obtain an agreement on our terms. Added the prime minister: It is beause we don't intend to settle an agreement with the IMF on their terms, but rather on our terms that the negotiation is taking place so long.

The current positions of either side have not been disclosed, but the IMF had earlier insisted that the current exchange rate, hovering at J5.50 dollar to the U.S. dollar, be pushed immediately to J6.10 for one U.S. dollar and the real exchange rate be maintained thereafter. But the government suggested that the current rate be held until the end of the fiscal year in March, when the Jamaican dollar would drop to J5.91 for one U.S. dollar and then to J6.43 to one U.S. in 1987/89.

There were also disagreements between the fund and the government over expected foreign inflows and the administration's financing gap. The lack of agreement with the IMF, economists here say, has held up capital from multilateral and bilateral sources, as well as the government's efforts to reschedule more of the country's U.S. 3.5 billion dollar foreign debt. That, plus natural disasters, including mid-year flood rains, has also caused reduction in economic growth projections.

When Seaga threw out early this year the report of a joint team from the IMF, World Bank, and the U.S. Agency for International Development (USAID) which suggested continued austerity, he presented a package for expansion on which he predicted a 5.5 per cent growth in the economy this fiscal year. That projection was revised downward to 4.4 per cent and, last month, Central Bank Governor Headley Brown said the current projection was for growth between two per cent and three per cent.

Despite the central role being played by the IMF in the Jamaican economy, Seaga on his Washington visit will be looking beyond the fund for good news of economic assistance. He will also be having talks with USAID.

Since Seaga came to power and pulled Jamaica closer to Washington, Jamaica has received over three quarters of a billion dollars in American aid.

The prime minister told his party conference that U.S. Secretary of State George Shultz had recently warned that American aid to foreign countries would be cut by between a half and two-thirds. Such cutbacks, if applied to Jamaica, would deal a crushing blow to the island's economy, which receives over U.S. 100 million dollars a year in direct USAID programmes. We have no official word (on Shultz's statement), but I intend to have talks with USAID, Seaga said.

TRINIDAD AND TOBAGO

PARLIAMENT DISSOLVED UNTIL 15 DEC ELECTIONS

FL271714 Bridgetown CANA in English 1659 GMT 27 Nov 86

[Text] Port-of-Spain, Trinidad, Nov 27, CANA -- Trinidad and Tobago's bicameral legislature was automatically dissolved today at the end of the current five-year term. Parliamentary officials said persons holding the offices of prime minister, parliamentry opposition leader, and government minister will continue to do so until a new government is elected at general elections on December 15. Other parliamentarians, senators, and backbenchers in the house of representatives, relinquished their offices.

The life of the parliament -- consisting of an upper house (Senate) and a lower House of Representatives -- lasts for five years after a general elections. There are five sessions: one session per year. The next parliamentary session will be named by the government elected at next month's general elections.

ARMY ATTACKS REBELS, STATE OF EMERGENCY DECREED

Military Offensive

PA020358 Paris AFP in Spanish 2153 GMT 1 Dec 86

[By Edouard Pons]

[Text] Paramaribo, 1 Dec (AFP) -- A military source today reported in Paramaribo that the Surinamese Army has retaken control of the road to Moengo, 100 km east of the capital, and "cleared the region" this weekend, during the first offensive launched against Ronny Brunswijk's rebels.

A contingent of 300 soldiers sent from this capital on Friday night participated in the clashes along the road and surrounding villages, while the clashes continued in Moengo, the source added:

No military casualties have been reported during the operations, but an Army Indian guide was killed and a civilian was wounded, according to military sources, who added that "many rebels were taken prisoners." This action, the most important ever carried out by the National Army since Suriname was founded in 1980, marks, according to the same sources, the beginning of "an important offensive" in the zones that are currently under control of the rebels. Who "will be persecuted to the last man, no matter where they go."

The operations will continue in the east, the rebels' main area of operations, but also in the region of Brokopondo, where some rebels have been seen. The road to Moengo, which was cut off some 70 km from the capital, is now free of guerrilla forces and has also been repaired; however, the important bauxite mine in that area was still isolated at noon today.

It was reportred today that the civilian government which was installed by Commander Desi Bouterse's regime in July had recently ordered the Army to act more strongly against the rebels, as well as the labor unions, which are restless about "the destruction of the country's infrastructure" by the rebels. It is appropriate to mention that the mine in Moengo supplies the alumina and aluminum for Paranam, 35 km south of Paramaribo, and the bauxite by-products represent 80 percent of Suriname's exports. Military authorities had recently asked the civilian population in the region to leave, and part of Moengo's 2,000 to 3,000 inhabitants had been evacuated by river.

This weekend's offensive cannot be considered "a definite victory" over the rebels, it was reported by the military sources, who stated that the rebels are nevertheless losing control in certain regions and added that they hope the offensive will end by Christmas. Military controls were stepped up in Paramaribo given the fear of a "terrorist" action against energy sources or the city's water supply.

Official Announcement

PA021526 Paris AFP in Spanish 1502 GMT 2 Dec 86

[Text] Paramaribo, 2 Dec (AFP) -- The Government of Suriname has decreed a state of emergency in the eastern and southern parts of the country -- covering about three-fourths of the national territory -- it was officially announced today in Paramaribo. The state of emergency will become effective at 0000 [as received] local time on Tuesday.